

234105

JPRS-LAM-85-056

28 June 1985

# Latin America Report

19980826 118

DTIC QUALITY INSPECTED 2

**DISTRIBUTION STATEMENT A**

Approved for public release;  
Distribution Unlimited

**FBIS**

**FOREIGN BROADCAST INFORMATION SERVICE**

REPRODUCED BY  
NATIONAL TECHNICAL  
INFORMATION SERVICE  
U.S. DEPARTMENT OF COMMERCE  
SPRINGFIELD, VA. 22161

3  
109  
AOC

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

28 June 1985

## LATIN AMERICA REPORT

## CONTENTS

## BRAZIL

Poll Shows 51 Percent Approve Sarney's Performance (O ESTADO DE SAO PAULO, 22 May 85).....	1
Sarney Scores Reorganization of Extreme Rightist Elements (O ESTADO DE SAO PAULO, 21 May 85).....	4
Cuban Signals Encouraging Diplomatic Relations Discussed (Carlos Conde; O ESTADO DE SAO PAULO, 18 May 85).....	6
UK Firm Negotiates Cooperation Agreement With Embraer (O ESTADO DE SAO PAULO, 18 May 85).....	8
Divisions Among Left-Leaning Deputies in Congress Viewed (O ESTADO DE SAO PAULO, 26 May 85).....	10
Impact of Reelection Ineligibility of PMDB Mayors Viewed (Carlos Chagas; O ESTADO DE SAO PAULO, 18 May 85).....	13
Choice of Mayoral Candidates Threatens AD Unity (Carlos Chagas; O ESTADO DE SAO PAULO, 30 May 85).....	16
IBGE Cites Unemployment Drop in Major Cities in April (O ESTADO DE SAO PAULO, 20 May 85).....	19
Interview With PCB Secretary General Giocondo Dias (FOLHA DE SAO PAULO, 9 Jun 85).....	21
Briefs	
Support for Nicaragua	31
May Trade Balance Surplus	31
AMX Presentation in Italy	31

## CHILE

Official Foresees Moderate Economic Growth (EL MERCURIO, 31 May 85).....	32
Easter Island Use Protested, U. S. Envoy Comments (Juan Jorge Faundes; EFE, 10 Jun 85).....	34

## CUBA

Lucio Lara Reminisces About MPLA's Early Ties to Cuba (BOHEMIA, No 20, 17 May 85).....	36
'We Are the World' Undertaking To Aid Africa Praised (BOHEMIA, No 17, 26 Apr 85).....	39
Briefs	
Legal Accord With Congo	40

## DOMINICA

Catholic Church Caught in Pre-Election Crossfire (AMIGOE, 26 Apr 85).....	41
Briefs	
Attack on World Bank Policy	43

## DOMINICAN REPUBLIC

Briefs	
Communist Leader Resigns	44
Debt Rescheduled	44

## ECUADOR

Fradulent Operations Lead To Discount Bank's Intervention (EL UNIVERSO, 9 May 85).....	45
Bank Superintendent Resigns as Result of Bank's Collapse (EL UNIVERSO, 14 May 85).....	47
Troya's Sudden Resignation	47
Text of Troya's Resignation	48
Monetary Board President Views Discount Bank Situation (EL COMERCIO, 15 May 85).....	51

## EL SALVADOR

Zamora Discusses Government Crises  
(Havana International Service, 29 May 85)..... 52

Briefs  
FDR Leader Says Salvadoran Guerrillas Strong 54

## GRANADA

Nutmeg Industry Showing Slight Signs of Recovery  
(TRINIDAD GUARDIAN, 22 May 85)..... 55

## MEXICO

'Manifesto of Mexican Democracy' Released in Monterrey  
(EL NORTE, 19, 29 Apr 85)..... 56

PRI Members Among Signers, by Lourdes Solis 56  
Additional Signatories 59

Decline in Rural Living Standard Acknowledged Officially  
(Hermenegildo Castro; LA JORNADA, 7 May 85)..... 60

Poll Shows Trevino Leading Canales in Nuevo Leon Race  
(EL NORTE, 11 May 85)..... 62

Nearly 2-1 Margin 62  
Polling Methods Discussed 65  
Candidate Recognition, Related Matters 68

## NICARAGUA

Ortega Interviewed on Relations With Cuba, Spain  
(Daniel Ortega Interview; EL PAIS, 13 May 85)..... 76

Bermudez Views FDN Situation, Refugees  
(Enrique Bermudez Interview; LA NACION (NICARAGUA HOY  
Supplement), 11 May 85)..... 81

Briefs  
Vietnam Donates Sugar 85  
\$46 Million for Resettlement 85  
French Solidarity Brigade Arrives 86  
Sweden Increases Aid 86  
PCN Split 87

## PANAMA

Briefs  
New Public Safety Magazine 88  
New Labor Law Magazine 88  
Noriega Talks With Japanese Foreign Minister 88  
Ambassador to Israel 88

## PARAGUAY

FRG Embassy Offers Reward for Mengele (Asuncion Radio Primero de Marzo, 21 May 85).....	89
Newspaper Ad Offers Reward for Mengele (HOY, 22 May 85).....	90

## PERU

Preferential Vote Procedure, Validity Questioned (EL COMERCIO, 19 May 85).....	91
Rice Pickers Prefer To Harvest Coca for High Wages (EL COMERCIO, 19 May 85).....	93
Industrialists Support Garcia Debt Negotiation Plan (EL COMERCIO, 3 May 85).....	95
Briefs	
Naval Expedition to Antarctic	97
Barrantes Replacement Not Imminent	97
Carhuaquero Hydroelectric Project Halted	97
Hoarders Buying Silver Coins	98
Taiwan Biggest Fishmeal Customer	98
Airlines Need More Planes	98
Police Strike Rumors Denied	99
New PIP Director	99

## ST LUCIA

Compton in Ongoing Struggle To Improve Economy, Provide Jobs (Guy Ellis; THE CARIBBEAN & WEST INDIES CHRONICLE, Apr-May 85).....	100
--	-----

## ST VINCENT AND THE GRENADINES

Mitchell Notes Recent 'Moderate Growth' of Economy (THE VINCENTIAN, 26 Apr 85).....	102
Briefs	
Bequia NDP Unit	103

BRAZIL

POLL SHOWS 51 PERCENT APPROVE SARNEY'S PERFORMANCE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 May 85 p 4

[Text] On a scale of -5 to +5, President Jose Sarney had a popularity rating of +3.25 in April, according to a poll conducted by the Gallup Public Opinion Institute between 5 April and 30 April. President Sarney's performance had the approval of 51 percent of the Brazilian urban population, as 11 percent felt he was governing "very well" and another 40 percent thought he was doing "well" as president. Inhabitants of small towns, Northeasterners, PFL [Liberal Front Party] members, those most interested in politics and those over 50 years of age are the social groups that are most pleased with President Sarney.

The Gallup Institute evaluated the president's popularity on the basis of 2,826 interviews with adults residing in 185 urban areas in 22 states. Only 1 percent felt that Sarney was doing "very poorly"; another 2 percent evaluated his performance as "poor," while 25 percent viewed it as "fair." The third largest group was the 21 percent who "had no opinion" on the matter.

It was in his home region--the Northeast--that the president had the highest approval rating: 57 percent. Of the 651 Northeasterners interviewed, 16 percent believed that Sarney was doing "very well" in the government and another 41 percent said he was doing "well." Sarney received his lowest approval rating in the South: 48 percent; no less than 31 percent of the 400 interviewed felt his performance was "fair." In the Southeast region, 50 percent of the 1,520 interviewed approved of Sarney (9 percent "very good" and 41 percent "good"), but 23 percent had no opinion. This was the category of 29 percent of the 255 interviewed in the North-West region, where 50 percent approved of the president's performance.

Sarney did best among the 193 persons interviewed in cities of less than 5,000 inhabitants, where 57 percent classified him as either "very good" (17 percent) or "good" (40 percent) and 26 percent had no opinion. There were virtually no negative ratings in these towns, just as in those having between 5,000 and 10,000 inhabitants, where the 177 interviewed indicated a 55 percent approval rating. In cities with between 10,000 and 50,000 inhabitants, 49 percent of the 550 interviewed thought Sarney was doing "well" (37 percent) or "very well" (12 percent). The 939 persons polled in cities with over 50,000 inhabitants gave a 52 percent approval rating. In state capitals, 50 percent of the 967 interviewed likewise approved of the Sarney administration.

## Classes

The highest approval percentage for Sarney--54 percent--was obtained among the 918 persons of Class C. Among the 245 in Class E, however, only 45 percent rated Sarney better than fair, while 29 percent had no opinion. Of the 137 in Class A, 52 percent gave their approval; among the 465 in Class B, the percentage increased to 53 percent; and in the most numerous class of the Gallup poll, Class D, 50 percent of the 1,061 interviewed felt the president was doing either "very well" (10 percent) or "well" (40 percent).

Among age groups, those over 50--506 interviewees--gave a 56-percent approval rating to the new government. Of the 1,154 persons between 30 and 49 years of age, 53 percent approved. Among the youngest--18 to 29 years of age--the approval percentage was lower (48 percent); about 30 percent of the 1,166 interviewed evaluated the president's performance as "fair." Among the 1,387 men and 1,439 women, the percentage of positive evaluations was no different: 51 percent.

Among the 398 persons polled who consider themselves "very much interested in politics," a significantly larger portion rate the Sarney government favorably: 60 percent. Of the 1,262 who are "not very much interested," 53 percent approve his performance. And of the 1,166 "uninterested," only 45 percent view the Sarney government favorably.

Among political parties, the 233 PFL followers are the most in harmony with the Sarney administration, which 64 percent of them rate favorably. This rating is followed by the 55 percent of the 1,303 PMDB [Brazilian Democratic Movement Party] sympathizers who give a positive opinion. Among other parties, Sarney gets a favorable rating from 54 percent of the 85 PDT [Democratic Workers Party] faithful, 53 percent of the 304 PDS [Social Democratic Party] members, 49 percent of the 100 who belong to the PTB [Brazilian Labor Party] and 43 percent of the 241 PT [Workers Party] adherents.

## Popularity

To obtain President Sarney's popularity rating, Gallup prepared a scale of -5 to +5, without a zero point. Only 4.2 percent assigned him negative ratings, 11.5 percent did not answer and 84.1 percent gave positive marks; 25.9 percent gave Sarney the highest grade (+5) and only 1.8 percent gave him the lowest grade. The national average of Jose Sarney's popularity rating was +3.25.

Once again the Northeasterners gave the highest popularity rating to their region's native son: +3.5 points. In this region, 32 percent of the 651 interviewed gave the president the highest grade and only 2 percent gave him the lowest. In the North-West, the +3.21 average rating was obtained with only 1 percent assigning the minimum grade, but the largest share of the 255 interviewed (28 percent) chalked up a +3, while 21 percent preferred not to make an evaluation. The 1,520 interviewed in the Southeast--where the rating was +3.21--made evaluations of +3 (24 percent), +4 (21 percent) and +5 (25 percent); 11 percent of them had nothing to say. In the South, the 400 persons polled assigned scores across a wider range: +2 (13 percent), +3 (26 percent), +4 (18 percent) and +5 (24 percent). The average rating for the region was +3.14 points.

This method of evaluation by "grades" now used by the Gallup Institute confirms the corresponding percentages of evaluations considered favorable by the previous method ("very well" and "well"). This is what occurs, for example, with the +3.64 popularity rating obtained by Sarney in cities with less than 5,000 inhabitants--where 57 percent of those polled viewed his administration favorably. The same relative correspondence is repeated in the cities of larger size. In those with over 50,000 inhabitants, the rating was +3.22; in the state capitals it was +3.12.

Likewise, Classes B and C give the most favorable ratings of Sarney's performance by means of this criterion: +3.35 and +3.43, respectively. In Class E the popularity rating is also lower: +2.76 (this class gave only a 45-percent approval). Among age groups, those over 50 gave the president an average popularity rating of +3.69; the youngest group--between 18 and 29 years of age--confirmed their more critical stance, assigning him an average grade of +3.09.

Curiously, this indicator was even lower (+3.04) among those who claimed "no interest in politics." For those "very much interested," the rating was +3.67 on the average; those with "little interest" scored him at +3.28.

Correlation is not repeated with such close precision in the tabulations covering party sympathizers, as there is an inversion of averages and percentages between PDT and PDS adherents, which can be attributed to the significantly larger number of PDS supporters. In general, however, the relationship does not differ much: PFL, +3.67; PMBD, +3.32; PDS, +3.29; PDT, +3.15, PTB, +3.02; and PT, +2.76.

8834

CSO: 3342/179

BRAZIL

# SARNEY SCORES REORGANIZATION OF EXTREME RIGHTIST ELEMENTS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 May 85 p 3

[Article by "C. C."]

[Text] Brasilia--President Jose Sarney is convinced and makes no secret of it, as he commented just this past weekend to a group of friends: the extreme Right is reorganizing in this country. The intelligence agencies have detected it and are monitoring the mobilization of radicals hostile to the new times of democratic reconstruction. They are civilians and military who are beginning to form associations ostensibly for defense of democracy or for combating communism but that are really created to prevent the Democratic Alliance from reaching its goals.

It is early, according to Sarney, for the government to name names or begin to act, although persons and their meeting places are known. The best strategy is to follow along the path outlined by Tancredo Neves for the New Republic, the hope of the nation's vast majority, of full operation of institutions. But there is a latent danger in the recent reorganization of rightists. The extreme Right is resurging at the same time that the extreme Left is engaging in equally radical activities, especially in connection with the outbreak of strikes in recent weeks.

The president believes that democracy should have the means and the strength to coexist with its adversaries, but there will always be a borderline between tolerance and adoption of the measures needed to defend democracy. He will not hesitate to use the latter.

It is not within a pessimistic and alarming context that he comments on the situation. On the contrary, he expresses satisfaction with the action of the intelligence agencies, which promptly called attention to the resurgence of extremism. He has lavish praise for the performance of the military, who fully support the New Republic, through their chiefs. All possible military backing is being given so that democratic reconstruction does not suffer from either disruptions or makeshift solutions.

Hence, for Jose Sarney, the importance of immediately concluding a national political pact which, for him, involves common action by parties, Congress, the executive branch and other segments of society to establish agendas and begin institutional improvement. The National Constituent Assembly will meet in 1987 but before that it is important to go over the constitution and rid it of any laws that

are in conflict with democracy. He is pleased to see that the government of the New Republic has not only military and social support but also political and popular support. When he was in Goiania last Saturday he was greatly enthused by the reaction of the people in the streets, who applauded him in the same way that he had been applauded in Rio de Janeiro a few days earlier. The applause is not for him personally but rather for what his presence at the head of the government represents. He recalls that in the capital of Goias, when passing by a group of critical demonstrators carrying three or four protest streamers, he asked the driver to slow down and, from the window of the car, he greeted all of them. The reaction was not long in coming: they lowered their banners so as to have their hands free to wave back at him. The same thing had happened in Rio, before a military reserve group demanding changes in the amnesty law. As he approached them, he was applauded.

Aware of the constant difficulties for establishment of full democracy, alert to activities of extremists of one side or the other, the president took occasion to correct a misinterpretation. He never said that "the name is Sarney, not Joao Goulart," which would be a slur upon one of his predecessors. What he did say, a few days ago, was that he would not let happen to him what happened to Goulart, that is, that he would not let polarization between the Left and the Right cause the government to collapse. He is vigilant in both directions. Strikes are a legitimate means for the worker to defend his rights, but they can never be permitted to degenerate into disorder.

Sunday evening, Sarney had a long visit from the president of the PMDB [Brazilian Democratic Movement Party] and of the Chamber of Deputies, Ulysses Guimaraes, when they had an objective discussion of the political pact now underway. The Sao Paulo congressman expressed concern about meeting the commitments of the Democratic Alliance, not only in the institutional field but also in the political and economic fields. He agreed with the president that, now that reform of political institutions has been initiated, improvement of the economic and social situation will be an immediate result. Ulysses himself gave the example of the illiterate's right to vote, an issue that has split the nation for decades. It was approved peacefully, by Congress, and from now on, with the entrance of this vast contingent of the population into the electoral process, there will be no way to prevent Congress from giving closer attention to distressing social and economic questions.

The main points have been decided between the president and the leaders of the Democratic Alliance, and the political pact, due to its importance, has room for other adherents. For Ulysses Guimaraes it is not important, for instance, whether the PDS [Social Democratic Party] or part of it eventually supports the enterprise. Provided, of course, that they follow the established guidelines. The same holds true for the minor parties, those in existence and those being formed. The greater the number of forces engaged in sustaining democracy, the fewer chances extremist groups will have to be successful in their efforts to destabilize the new regime.

BRAZIL

CUBAN SIGNALS ENCOURAGING DIPLOMATIC RELATIONS DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 May 85 p 2

[Article by Carlos Conde: "Fidel Tries to Curry Brazil's Favor"]

[Text] At the personal and express order of Fidel Castro, all Cuban ambassadors the world over conveyed condolences to their Brazilian colleagues upon the death of president-elect Tancredo Neves. As the two countries do not have diplomatic relations, the Cubans had to find informal alternatives to make the gesture, such as the "happy coincidence" of meeting at a social reception, for example.

Studying the possibility of reestablishing relations with Cuba, the Jose Sarney government is now examining all the signals that Havana is sending to facilitate this step, or at least not hinder it. The government has also been informed of the declaration made in Rio de Janeiro recently by a Cuban diplomat on the occasion of a multilateral meeting in which the Antarctic was the main topic. The diplomat said to a Brazilian friend: "We are not in a hurry. We don't want to press Brazil. We know that reestablishment of relations will come, after a while."

Another clear gesture on Cuba's part, of which the Sarney government took note, was Fidel's repeated declaration praising the New Republic and suggesting that it was here to stay. Such statements were made in the major interviews granted by Fidel recently to the WASHINGTON POST of the United States, EXCELSIOR, of Mexico, and the Spanish news agency EFE. Planalto Palace and Itamaraty [Brazilian Foreign Affairs Ministry] also took a favorable view of the analysis Fidel Castro made about the implications of the Latin American foreign debt.

Such diplomatic messages from Fidel are included in the secret document that Itamaraty is preparing in respect to renewal of relations with Cuba. The study is an initiative of Foreign Affairs Minister Olavo Setubal, who is supervising it directly. The foreign minister publicly announced the paper's existence on 30 April after a confidential speech he gave at the War College.

When the Brazilian Government bodies that are most directly responsible for national security are asked to express their opinion about the matter they will already know that the president favors reestablishing relations with Cuba. Sarney has said this in private to a few persons, including Jose Carlos Teixeira, PMDB [Brazilian Democratic Movement Party] congressman from Sergipe. Itamaraty is also likely to announce its support for a dialogue with Havana. The study being made

by the foreign ministry will clearly show the "greater flexibility" that Cuba's foreign action has shown in recent years. It will demonstrate, for example, that the Sendero Luminoso ["Shining Path"] guerrilla movement in Peru does not have the slightest Cuban inspiration or participation; it will include a detailed examination of the "pragmatic attitude" that Fidel has adopted in his difficult relationship with the Ronald Reagan government, and will make mention of the various moderate initiatives the Cuban president has taken in regard to the Sandinists of Nicaragua.

The foreign diplomatic corps accredited in Brasilia, for the most part, feel that reestablishment of relations between Brazil and Cuba "is inevitable." The ambassador of one of the most important countries of West Europe, obviously asking that his name not be mentioned, whispered to O ESTADO DE SAO PAULO yesterday: "All of us are certain that, perhaps sooner than one would think, the Cuban flag will be fluttering here in our midst, on the Avenue of the Nations."

### Steps

Diplomatic relations between Brazil and Cuba were severed in 1964, upon the arrival of the military regime, at Brazil's initiative. During the Ernesto Geisel government, Foreign Minister Azeredo da Silveira tried to resume the dialogue with Havana, but was prevented by the military. The topic did not again become the subject of more specific discussion until the birth of the New Republic.

During the election campaign, Tancredo Neves adopted two positions in regard to the matter. In the first instance, he practically repeated the language of the military, saying that Cuba "exports revolution" and for this reason Brazil would not agree to resuming the dialogue. At another time, he said that the "nonrelation" with Havana was a national security problem. Such declarations were part of the messages that the Democratic Alliance leader was sending to the military in a thinly disguised code. His strategy was rounded out by two phrases: "I am not Brizola's Trojan horse" and "I am not the Brazilian Alfonsin." With the latter phrase, the opposition candidate was trying to soothe the Brazilian military by assuring them that he was not dominated by the "desire for revenge" that they saw in Argentina's democratic president.

Within Tancredo's guidelines, followed in this particular by President Jose Sarney, Foreign Minister Setubal has referred to the national security aspect. Itamaraty thinks, although it is not saying so, that security reasons are offset not only by the strengthening of Brazil's democratic institutions but also by the change in Cuba's foreign activity. Should the latter trend continue, as soon as President Sarney gives the green light Planalto Palace and Itamaraty will begin working on the second phase of the Cuba operation: defining the form of reestablishing relations and choosing the most appropriate domestic and foreign political moment.

8834

CSO: 3342/179

BRAZIL

## UK FIRM NEGOTIATES COOPERATION AGREEMENT WITH EMBRAER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 May 85 p 5

[Text] Paraiba Valley--A committee from Short Brothers Company arrived in Sao Jose dos Campos yesterday from Belfast, Northern Ireland, to discuss an agreement for industrial cooperation with EMBRAER [Brazilian Aeronautics Company]. The two companies will jointly manufacture 130 training aircraft for military pilots, the Tucano model, for the Royal Air Force (RAF), on a contract worth \$137 million. The two firms further hope to place over 300 units of the Tucano on the British-related market by the end of the decade.

The basic-training Tucano turboprop is already, in terms of the number of units, the major product of the Brazilian aeronautics industry, as so far EMBRAER has negotiated sale of about 500 aircraft: 118 for the FAB [Brazilian Air Force] (with an option to buy 60 additional units); 120 for Egypt, on a contract worth \$181 million; 8 for Honduras; and, recently, 30 for Venezuela, on a contract of about \$52.5 million.

### Program

The competition held by the RAF was considered one of the largest and most bitter disputes in the history of world aviation. This was EMBRAER's third victory in major international competitions: the first was the decision announced by France in September 1980 to buy 41 units of the Xingu for its Defense Ministry. In November of 1983, EMBRAER won the competition held by the government of Egypt, with the Tucano. That Arab country ordered 120 units of the trainer; 10 units flew over and the rest are being shipped in "kits," to be assembled on the production lines of the Arab Organization for Industrialization, in Heiwan, near Cairo.

The Short Brothers team will also discuss the program involving manufacture under EMBRAER license of the Tucano in Belfast and the marketing of a new version of the military Tucano trainer that is being offered to the RAF to replace the obsolete fleet of British jet trainers called the Jet Provost now in use.

The agreement calls for manufacturing the Tucano aircraft in the United Kingdom, thus assuring utilization of labor in Northern Ireland; it also calls for incorporating a large share of British equipment in the aircraft, with the additional effect of creating new jobs. Hence, this is a "Britainization" of the Brazilian product, for which EMBRAER is to receive royalties.

The needs of the RAF are to purchase 130 aircraft which, together with replacement parts and logistic support, are valued at \$137 million. Short Brothers will have total responsibility for the program in the United Kingdom, including all design and development work to adapt the new trainer to the particular needs of that country's air force.

8834

CSO: 3342/179

BRAZIL

DIVISIONS AMONG LEFT-LEANING DEPUTIES IN CONGRESS VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 May 85 p 4

[Text] Brasilia--In a Chamber of 479 deputies, there are less than 90 who can be considered leftists by their speeches, opinions, votes or general approach in day-to-day political activity or by historical tradition.

Most of these congressmen are in the PMDB [Brazilian Democratic Movement Party]. Some belong to groups, others operate individually. There are those who, even in a moderate conservative party such as the PFL [Liberal Front Party], are becoming prominent for a noticeable leftward leaning. There are Marxist-Leninist ideologues and there is an independent Left to which are attached directly or indirectly, by ties of varying strength, leftists of all shadings.

United, the leftists of the Chamber represent a little less than one-sixth of the House. Low firepower for any type of change, in the constitution or in ordinary laws, that would imply substantial reforms in the prevailing socio-economic structure. However, when it comes to removing the remains of authoritarian legislation and formally consolidating the democratic liberalization, the winds of renewal that came with the New Republic are valued above ideologies and it is not always easy to establish a correlation of forces, very changeable as a result of temporary circumstances and frequently marked by emotions currently in vogue.

After all, what is this Left like that will be present in the Chamber until 15 March 1987, when the National Constituent Assembly is to be installed?

The independent Left, an amalgam of "historics," "notables" and "authentics" ["historicos, notaveis" and "autenticos" in Portuguese], would have as a nucleus Alencar Furtado, Francisco Pinto, Jarbas Vasconcellos, Miguel Arraes and Paes de Andrede, all of the PMDB. They are likely to be joined by PMDB members Cristina Tavares, Helio Duque, Elquisson Soares, Oswaldo Lima Filho, Jose Carlos Vasconcellos, Mansueto de Lavor, Raul Ferraz, Renan Calheiros and the PDT [Democratic Workers Party] dissident on his way to joining the PMDB, Sebastiao Nery.

Former PMDB leader Freitas Nobre is acting pretty much on his own right now, although maintaining strong ties with the independent Left and the PDT group, to which he will eventually probably switch. The latter group consists of PDT members Abdias Nascimento, Amaury Muller, Bocayuva Cunha, Clemir Ramos, Jacques Dornelas, Jose Frejat, Nadyr Rossetti, Oswaldo Nascimento and Sergio Lomba.

In addition to tenuous connections with the independent Left, it has other, stronger links with the PT [Workers Party] dissidents, composed of deputies Airtton Soares, Bete Mendes and Jose Eudes, a group estranged from the party and its leadership but very close to its bloc in the Chamber and also to the independent Left.

Another group that, for lack of a more precise classification, could also be called the "independent Left," is one of the most significant, numerically, having constituted the nucleus of the PMDB Travessia [literally, crossing] Group, ostentatiously pro-Ulysses Guimaraes, and has emerged as the "Rights Only" ["So-Diretas"] group. This group bid for and lost control of the party, although not necessarily a few of its positions of leadership, to the Unity Group, led by Tancredo Neves. This other "independent Travessia Left" is probably composed of deputies Amadeu Gera, Cassio Goncalves, Darcy Passos, Dirceu Carneiro, Flavio Bierrenbach, Hermes Zanetti, Ibsen Pinheiros, Jose Fogaça, Jose Tavares, Luiz Henrique, Manoel Costa Junior, Mario Frota, Renato Bernardi, Roberto Rollemberg, Ronan Tito, Sergio Cruz and Wall Ferraz. Also part of this group, although not necessarily holding the same positions in the political events of this congressional session, are deputies Ademir Andrade, Djalma Falcao, Egidio Ferreira Lima, Joao Gilberto, Jorge Uequed, Jorge Vianna, Lelio Souza, Max Mauro, Nyder Barbosa, Plinio Martins, Raimundo Asfora and Tobias Alves.

The connections of this large group with the nucleus of the independent Left, made up of Alencar Furtado, Francisco Pinto, Jarbas Vasconcellos, Miguel Arraes and Paes de Andrade, are tenuous, but its leader, Pimenta da Veiga, who is now personally in a position to carry out his duties with prudent equidistance between the groups of the Left and his party's conservative majority, serves as a connecting link between both; moreover, he is not limited to this small group of five, but is in contact with the nine others mentioned above, who gravitate around this nucleus and sometimes are confused with it.

There is a third group that also cannot escape being classified as the independent Left, composed of deputies Arthur Virgilio, Dante de Oliveira, Domingos Leonelli, Joao Hermann and Marcio Santilli, very close to another, made up of deputies Jackson Barreto, Marcio Lacerda and Virgildasio da Sena. This latter group has strong ties to the "historico-authentic independent Left" mentioned above and also to the most orthodox group of the PCB [Brazilian Communist Party], which includes deputies Alberto Goldman, Fernando Santana, Nelson Wedekin, Roberto Freire and Tidel de Lima, small and homogeneous and still having an auxiliary line represented by deputies Aluizio Bezerra, Gilson de Barros and Marcelo Cordeiro, the latter ideologically close to the former and generally taking the same political and party positions, but acting independently in respect to PC [Communist Party] guidance. This latter auxiliary group of the PC is also connected to the nucleus of the independent Left--always referred to as being the center of the various nuclei of the Left--by substantial ties, and is greatly influenced by it.

In this complex interconnection, it is the PC do B [Communist Party of Brazil], made up of deputies Aldo Arantes, Aurelio Peres, Haroldo Lima and Luis Guedes, that has the least to do with the other groups. Nothing more than discreet liaisons with the independent left wing--including, among others, deputies Dante de

Oliveira, Marcio Santilli and Jackson Barreto--and also a tenuous connection with the nucleus of the "historic" independent Left, once more mentioned as a planet among satellites, not in terms of control but as the main point of reference and coordination of the whole system.

Only one group does not have direct connection with this nucleus: the left wing of the Liberal Front Party [PFL] which, if not by ideology, at least by identity of political positions, comes into sharper focus with the presence in its ranks of deputies Jose Machado, Jose Thomaz Nono, Lucio Alcantara and Sarney Filho. This group of the PFL maintains discreet liaison, nothing more than this, with the two groups of the independent Left other than the historic, composed of Alencar, Arraes and the others and those that gravitate around this nucleus.

The PT, reduced by the departure of the dissidents to deputies Djalma Bom, Eduardo Matarazzo Suplicy, Irma Passoni, Jose Genoio and Luiz Dulci, still has strong ties with the dissidents, which themselves constitute a small group: former party leader Ayrton Soares, Bete Mendes and Jose Eudes. On a much more discreet level, however, as the PT--just as the PC do B and the PFL--is the one that mixes the least with the other factions of the Left. There is a connection with the nucleus considered "historico-traditional" of the independent Left.

There are congressmen clearly of the opposition who do not necessarily fit into this model of the Lefts, such as Matheus Schmidt, secretary general of the PDT, whose speeches take an oppositionist line and who has historic loyalty to Leonel Brizola, or Joao Cunha, one of the congressmen most opposed to the system implanted in 1964, taken to court several times and whose tone is more that of a nationalist than of a leftist. Not exactly like Oswaldo Lima Filho, of the "historic" independent Left, for example, a nationalist and a leftist, although with a manner of speaking less abrasive than Cunha's, and so on and so forth.

In this model, the small groups of the extreme left: the Trotskyite Fourth International, the Socialist Convergence, the MR-8 [8 October Revolutionary Movement], Worker's Cause, Libelu, Avalu, Red Wing of the PC do B, PCBR [Brazilian Revolutionary Communist Party], Peleia, subgroups, dissident splinters of the dissidents, have no voice because they have no representation.

From the standpoint of the correlation of forces, the Left in the Chamber probably has 86 deputies, in a total of 479. Of these 86, 64 would be in the PMDB, a clear minority, considering that the party now has 198 congressmen. To be precise, less than one-third, which will be reflected in the lineup of party leaders chosen in its national election next December.

8834

CSO: 3342/ 184

BRAZIL

# IMPACT OF REELECTION INELIGIBILITY OF PMDB MAYORS VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 May 85 p 5

[Article by Carlos Chagas]

[Text] Deputy Ulysses Guimaraes is going through one of the most difficult periods of his political career, ironically now that the PMDB [Brazilian Democratic Movement Party] has come to power and he himself occupies the well-deserved position of leader of the New Republic. It happens that his attention is focusing on the future, and the future of the nation's largest party is in doubt. "Either we win the elections or we break up," he has been saying for some time, referring to elections for governor scheduled for next year, with particular attention to the states that are most important politically, such as Sao Paulo, Minas Gerais, Parana, Rio de Janeiro, Pernambuco and Rio Grande do Sul. These states--and others, of course--will form the base for launching the PMDB candidate to succeed Jose Sarney in 1988. Whether or not Ulysses is nominated--something he would like to leave for later, without giving up the aspiration--it is clear that a defeat in the state elections would be reflected shortly thereafter.

The problem was already difficult, but what made things worse for the president of the PMBD and the Chamber of Deputies was the recent decision by Congress, in establishing elections for mayors of state capitals this year, that current mayors would be ineligible for election. The party's ranks in Congress, even though in the majority, were divided and did not perceive that the exclusion would only favor their adversaries, either by eliminating PMDB candidates certain of victory or by permitting appearance of strong adversaries with better than even chances for election in other parties.

If it does not do well in November, the PMDB's situation in 1986 will be worse, in the race for state governors, which will be reflected in the simultaneous elections for senators, federal deputies and state deputies, the effect of which will have great bearing on the presidential succession.

In reference to the mayors of the state capitals, let us look at the reasons for Ulysses Guimaraes' concern:

Sao Paulo: Current mayor Mario Covas, despite difficulties, has managed to build an unrivalled image and, if he could run, would make a strong candidate. In fact, it would be hard to lose, having the double advantage of popularity and the aid of

the state machine. Eliminated, he leaves a vacuum that Janio Quadros of the PTB [Brazilian Labor Party] will try to fill ahead of the others. There is a possibility of an alliance between the ex-president and the Liberal Front Party [PFL], which would choose the candidate for deputy mayor based upon the promise that next year the roles would be reversed, with Janio Quadros supporting Olavo Setubal for state governor. Although it seems difficult to believe that Quadros, should he win the mayoralty race, could resist the temptation to run for Bandeirantes Palace in 1986, the possible slate is a strong one, as the PFL could nominate Jose Maria Marin, Miguel Colasuonno or another of its leaders for deputy mayor. The PMDB is hesitating and can't decide among Fernando Henrique Cardoso, Severo Gomes, Jose Serra or even Labor Minister Almir Pazzianotto, perhaps the most popular choice to defeat Janio Quadros. It is not known what Orestes Quercia will do, although all indications are that he will not be a candidate. The PDS [Social Democratic Party] seems doomed to another defeat and the PT [Workers Party], if it is going to run a candidate, is really thinking about next year.

Belo Horizonte: The balloon of Governor Helio Garcia has been losing altitude for several weeks now, due to the disaster that Tancredo Neves' loss dealt to Minas Gerais politics. The agreement that the late president worked so hard to establish among the various forces of the state is now threatened with collapse. The PFL is unlikely to support any of the PMDB choices; the choices of the PMDB, in fact, are few and the party is faced with losing its position. Mayor Rui Lage could win, if only through inertia, as could relatives of Tancredo Neves if any of them accepted the nomination. As they will not accept, it remains to be seen whom Aureliano Chaves will choose for the PFL, with a good possibility of beating the PMDB, now between Deputies Joao Ribeiro and Sergio Ferrara.

Curitiba: The current mayor, Mauricio Fruet, of the PMDB, has already been elected, perhaps by an absolute majority. If he cannot run, he will be replaced by a state deputy that the party bloc there will name, possibly Roberto Requiao. The upshot is that the candidacy of Jaime Lerner, for Leonel Brizola's PDT [Democratic Workers Party], emerges unbeatable. Neither the PDS, the PFL or the smaller parties have anyone they can enter in the race with any chance of winning.

Rio de Janeiro: The situation in the former capital is unique. If the current mayors could run, the PDT would be in difficulty, as Marcelo Alencar would claim the more-than-just right to run for reelection and risk overwhelming defeat by the PMDB, perhaps with Wellington Moreira Franco, Jorge Leite or even Paulo Alberto Monteiro de Barros. But the ineligibility of the PDT mayor enables the party to seek its best candidate, Roberto Saturnino. The chances of his losing are very slight, even slighter against the PFL, with Rubem Medina.

Recife: The PMDB candidate is likely to be Jarbas Vasconcelos, who does not step to Ulysses Guimaraes' drum, should Pelopidas da Silveira not feel up to it, even at Miguel Arraes' urgings, and Marcos Freire prefer to wait for next year. Governor Roberto Magalhaes, of the PFL, is looking for a candidate without closing the door on an understanding with the PMDB, if its candidate is not Jarbas Vasconcelos, who in such a case could switch to the PDT. Devilishly confusing, even more so knowing that Roberto Freire will be running on behalf of the Brazilian Communist Party [PCB].

Porto Alegre: The current mayor, Joao Dib, wouldn't have a chance, as he is of the PDS, and the PMDB could run Federal Deputy Jose Fogaça or State Deputy Francisco Carrion. The PDT will throw all of Leonel Brizola's prestige behind Alceu Collares, who carried Porto Alegre in the 1982 gubernatorial race; he should win.

The conclusion is clear. The PMDB could have much better chances if current mayors were permitted to run in November's elections. The situation in the other state capitals is more or less the same and the outcome could be a broad defeat capable of jeopardizing the gubernatorial races next year. With that, the party's presidential candidacy could be endangered and this has given Dr Ulysses more headaches in recent days. One solution would be to launch immediately a series of fullscale popular campaigns, with the party's leaders touring the state capitals and joining the candidates to be promptly launched. But here we come full circle: in most of the large states, who will the candidates be?

8834

CSO: 3342/184

BRAZIL

# CHOICE OF MAYORAL CANDIDATES THREATENS AD UNITY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 May 85 p 5

[Article by Carlos Chagas]

[Text] Brasilia--Despite all the efforts and the obvious declarations of optimism by its leaders, the Democratic Alliance is on the verge of collapse. Agreements and understandings between the PMDB [Brazilian Democratic Movement Party] and the PFL [Liberal Front Party] in November's mayoral elections in state capitals are likely to be the exception rather than the rule. The bitter consequences that have emerged from the hard-fought struggle of the two parties in filling positions in the second and third echelons of government will now be joined by the poisonous ingredient of electoral struggle. The PMDB, as the larger party, considers itself entitled to nominate the candidates for mayor and would like to have the PFL's support for them, leaving the former PDS [Social Democratic Party] dissidents with the deputy-mayor positions. But the PFL, in a bitter struggle to assert itself and survive, does not accept the role of an appendage or alternative slate of the PMDB. At the very least, it would like to see the criterion of proportionality applied, that is, to be entitled to nominate half of the coalition's mayoral candidates. A coalition that will not last much longer, if things keep going the way they are.

It is simply not going to work out, especially in view of the potential shown by Leonel Brizola's PDT [Democratic Workers Party] in choosing its candidates and in trying to reach understandings with other parties.

In fact, the collapse is not confined to the Democratic Alliance [AD]. The PMDB and the PFL are likewise threatened individually, to the degree that the preliminaries of choosing mayoral candidates cause leaders and congressmen such as Freitas Nobre, Jarbas Vasconcelos and others to seek or threaten to seek shelter outside the two parties. If this is happening now, in mayoral elections, just imagine what will happen next year, when candidates have to be chosen for governor, senator, federal deputy and state deputy.

In Congress, the leaders no longer control their party's representatives. The rebellion that occurred the early morning when the constitutional amendment re-establishing the principle of direct presidential elections was voted on was just a preview of what is going to be happening from now on. Nothing will be discussed or voted upon without the various groups demanding advantages and trade-offs.

The party situation, without excluding the smaller parties, is unstable and hesitant about the unity of any of them.

President Tancredo Neves was fully aware of the reality and even believed he could derive advantage from it. He would have liked to see a large centrist party created, around which he could have united the moderate groups that were supporting him, as well as having the support of a party further to the Left, but not radically so. He felt that the process of party reformulation would begin with the 1986 elections and crystallize, in terms of policy and ideology, at the 1987 National Constituent Assembly. Although advocating elections for mayors of state capitals this year, he did not expect them to precipitate changes and even thought that they would only serve to create problems for his political adversaries, Leonel Brizola and the PDS. It may be that with him in Planalto Palace the collapse would not have come so soon, but no one can be sure. With Jose Sarney the process gathered speed, and his aides have warned him that if he does not take upon himself the task of trying to hold together the structures of the Democratic Alliance he could be caught unawares by the consequences of the impasses. In the short run, division does not benefit him. Perhaps not in the long run, either.

The artificiality of the parties produces an effect prematurely and, without a special effort by the president of the republic, it will inevitably leave its marks. The PMDB, transformed into the nation's largest party, will suffer more than the others, but the effects of a breakup will affect the PFL profoundly. They are faced with the threat of not being able to assert themselves as the nation's second-largest party. Incredible as it may seem, the PDS could take that goal away from them in next year's elections, to say nothing, of course, about Leonel Brizola's PDT, whether or not it changes its name and becomes a socialist party.

On Saturday [Mines and Energy] Minister Aureliano Chaves was in Jaburu Palace, talking with President Jose Sarney from 1700 to 2100 hours. They went over various party issues, smoothed over some rough spots and came to an agreement, but the complaints of the former vice president remain. He is demanding equal treatment for the PFL, of which he has become a sort of guardian, even though he is not its chairman.

At the bottom of the party question, it cannot be denied, lies the question of the presidential succession. Although it seems unlikely that Leonel Brizola will succeed in his effort to have direct presidential elections held next year, they will greatly affect arguments, maneuvers and alliances. The PMDB will not fail to run its own candidate, but the most likely name, Ulysses Guimaraes, may not survive to the end of the race if the election is to be in 1988. The age factor weighs heavier and heavier in the choice of candidates, due to the nation's trauma over the illness and death of Tancredo Neves. The same argument holds true for Governor Franco Montoro, thus making room for other candidates, such as Paulo Brossard, if he becomes a cabinet minister soon or if he goes to the Senate next year. Fernando Henrique Cardoso may be erecting obstacles to his own prospects if he has to run for mayor of Sao Paulo.

The PFL will not fail to run Aureliano Chaves, concerned about maintaining his high popularity rating and even more so with the possibility of his party support falling short, unless it is broadened and deepened with the 1986 elections.

Leonel Brizola will be a candidate under any circumstances; he may enter into an alliance with parties of the Left and even win over segments of the PMDB. Beyond that, there are no reliable forecasts, although it can never be said too often that any of them runs the risk of becoming only an ironic memory a few years from now. In times of democratic normalcy, no one has the power to see very far ahead. Even in the transition to democracy, as happened recently, surprises have become routine. Who would have expected Figueiredo's successor to be any other than, first, Petronio Portella, then later, Aureliano Chaves, Mario Andreazza or finally Tancredo Neves, and end up being Jose Sarney?

8834

CSO: 3342/184

28 June 1985

## BRAZIL

## IBGE CITES UNEMPLOYMENT DROP IN MAJOR CITIES IN APRIL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 May 85 p 29

[Text] Rio de Janeiro--The metropolitan regions of Rio de Janeiro, Belo Horizonte, Recife and Salvador have very large numbers of workers earning less than the minimum wage, varying from 16.6 percent in Rio de Janeiro to 26 percent of the work force in Salvador, according to unemployment data for April, reported yesterday by the Brazilian Institute of Geography and Statistics [IBGE]. In Sao Paulo these percentages are relatively low, affecting 6.11 percent of the work force in the same period. The IBGE also reported the rates of open unemployment in April, which, using the institute's traditional methodology, were lower in all regions compared with March of this year and April of last year.

The new administration of the IBGE also began reporting, among other changes, greater detail about persons earning less than the minimum wage, "in view of the fact that such persons are in a situation very close to that of the unemployed." It is thus possible to evaluate together the situation of unemployment and under-employment or under-remuneration. In Rio, for example, the rate of open unemployment was reported as 5.55 percent in April. Added to those who earned less than the minimum (16.58 percent), a rate of more than 22 percent of the work force

Percentage of Open Unemployment, Remuneration Below Minimum Wage (Persons 10 Years Old or Older During Reference Week)

<u>Metropolitan Region</u>	<u>Open Unemployment</u>			<u>Remuneration Less Than Minimum Wage</u>	
	<u>April 1984</u>	<u>March 1985</u>	<u>April 1985</u>	<u>1984</u>	<u>1985</u>
Rio de Janeiro	7.35	6.03	5.55	16.27	16.58
Sao Paulo	7.65	6.34	6.11	9.68	9.73
Porto Alegre	8.29	6.67	6.47	11.14	11.32
Belo Horizonte	9.00	7.78	6.29	20.63	22.03
Recife	8.52	8.61	8.42	24.81	22.72
Salvador	7.75	6.79	6.18	24.20	26.32

Source: FIBGE [Brazilian Institute of Geography and Statistics Foundation]

(the total of those who are working and those who are looking for work) is reached. In Salvador, this total rate was 32.5 percent and in Recife it was 31 percent. In Sao Paulo, the total rate was 15.8 percent.

The IBGE is also reporting the situation of unemployment by sectors of activity, reporting a drop in unemployment in all categories between April 1984 and April of this year. The sectors analyzed are: manufacturing industry, civil construction, commerce, services and "other activities." According to the IBGE, there was an increase of unemployment by sector, as compared with March, in the regions of Porto Alegre (manufacturing industry), Rio de Janeiro, Sao Paulo, Belo Horizonte and Recife (civil construction), Sao Paulo and Salvador (commerce) and, once again, Sao Paulo, in "other activities." And, except in Belo Horizonte, there was an increase in the proportion of workers employed compared with the self-employed.

8834

CSO: 3342/184

BRAZIL

INTERVIEW WITH PCB SECRETARY GENERAL GIOCONDO DIAS

PY112052 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Jun 85 p 6

["Excerpts" of interview granted by Brazilian Communist Party, BCP, Secretary General Giocondo Dias to FOLHA DE SAO PAULO Political Section Editor Andre Singer in Sao Paulo]

[Text] FOLHA: Do you feel that the status of Communists before the 1964 military movement should be reviewed? I am giving as an example the statement made by Luis Carlos Prestes, who said that "we are already part of the government, all we need is power." Do you believe it was a mistake to make such a statement? Did that statement precipitate the coup?

Giocondo Dias: It was a mistake. I do not believe it precipitated the coup. The coup had been prepared long before. The coup was basically against the mobilization of popular forces, especially the workers. They tried many times to carry out the coup before. Naturally, Prestes' statement could have served as an excuse. It is a statement that cannot be justified.

FOLHA: What does this mistake reflect?

Giocondo: It reflects subjectivism, a very clear behavior of subjectivism, a person mistaking his desires with reality, something that in some way has always influenced our behavior.

FOLHA: Do you believe that the events of 1935 were another demonstration of that behavior?

Giocondo: Yes, they were. They were the result of our political behavior. Let us examine the following: If fascism was a threat, our actions should have been aimed at uniting all the antifascist forces. For what purpose? To isolate fascism. Our actions did not lead to the isolation of fascism but to our own isolation. Therefore, it must have been the result of subjectivism. In 1928 the leftist forces united saying that all objective conditions for a liberating national revolution in a country like Brazil already existed and that only the subjective conditions were lacking. That was also a subjective appraisal; that is, it was unreal.

FOLHA: Did you participate? Were you personally present in the 1928 and 1935 events?

Giocondo: Not in 1928, I was too young. However, I did take part in the 1935 events. I joined the party in 1934, and I hold myself responsible along with the other party members for the mistakes and achievements made.

FOLHA: Does the PCB consider itself a revolutionary party?

Giocondo: It is a revolutionary party.

FOLHA: Do you advocate a revolution in Brazil?

Giocondo: Certainly. Indeed, we believe that things in Brazil will be resolved, whether peacefully or not. However, we want this to happen peacefully by changing a number of things, and a change will represent a revolution. I have no doubt about it.

FOLHA: Do you have a plan to change Brazilian society into a socialist society?

Giocondo: Naturally, that is our goal. That is our goal, but I can tell you that it is not an immediate goal. It is a long-range goal. It is our historic goal. The reason for existing as a party is to struggle to truly eliminate the exploitation of man by man in Brazil. In the meantime, life teaches us that we still have a very long way to go.

FOLHA: Doesn't socialist revolution go against pluralism?

Giocondo: No.

FOLHA: One of the reasons some sectors believe that the PCB should remain illegal in Brazil is because it defends the existence of a single party system.

Giocondo: No, that is not what the PCB proposes. No revolution advocating socialism is not against pluralism.

FOLHA: However, socialist societies normally do not have more than one party. The Soviet Union only has one party.

Giocondo: However, it had other parties until they disappeared. As the classes disappeared, the parties disappeared.

FOLHA: Then, is the prospect the existence of a single party system?

Giocondo: As long as there are classes, there will be representative parties. There are several parties in East Germany, Poland, Czechoslovakia, and Bulgaria. Naturally, here we struggle for a solution taking into consideration Brazil, the psychology of the Brazilian people, the conditions of Brazil. We do not see the problem of pluralism as a question of tactical nature;

we look at it as a goal to be attained. Socialism is an extension of democracy. Nowadays, those who are against democracy are in some way the capitalist monopolies. They undermine bourgeois democracy. Those who nowadays defend bourgeois democracy or the full exercise of bourgeois democracy in all capitalist countries, incredible as it may seem, are the popular masses, mainly the working class.

FOLHA: Is the Soviet Union democratic?

Giocondo: It is democratic.

FOLHA: Is that the type of democracy you would like to see in Brazil?

Giocondo: No, because Brazil is something else, the people are different, it is another reality. In this regard, we must be very careful not to copy the experiences of others.

FOLHA: Does that mean that the socialist revolution will not necessarily prohibit political parties?

Giocondo: No, it does not. It may follow several paths, but what we must do is find the Brazilian path.

FOLHA: You just mentioned Poland. What is the PCB view of Solidarity?

Giocondo: I believe that Poland's Solidarity movement distorted itself and ended up serving interests contrary to those of the labor class. The truth is that things did not turn out as expected. The Soviet Union did not intervene in Poland, and the Polish Government did not fall. Moreover, things are gradually returning to normal. This does not mean that we are overlooking the errors that were committed by the Polish Government. There are mistakes that must be amended. There are mistakes in the economic, social, and even political sector.

FOLHA: But there is no union freedom in Poland. Solidarity has been severely repressed.

Giocondo: It has not been repressed for merely being a union. It has been repressed because it turned out to be a political movement that opposes the socialist government.

FOLHA: Does this mean that the PCB does not tolerate political movements that oppose a socialist government?

Giocondo: If they want to overthrow socialism, we cannot support them.

FOLHA: But the PCB strives to overthrow capitalism while it strives to be legally recognized. Isn't that contradictory?

Giocondo: The PCB is a political party, it is not a union.

FOLHA: But you have just said that Solidarity is a political movement.

Giocondo: It became a political movement when it could no longer exist as a union. A union cannot become a political party, because in doing so one is dividing the working class.

FOLHA: But the fact is that there was a union, which you have described as a political movement, and that it has been severely repressed because, according to you, it opposes the regime.

Giocondo: Yes, of course.

FOLHA: The PCB opposes the capitalist regime, but at the same time it demands to be legalized. Isn't this a contradiction?

Giocondo: No, it is not because...

FOLHA: But, sir, then you are defending the eradication of a political movement in Poland because it opposes the socialist regime while here you are defending the need to legalize your party, which opposes a capitalist regime...

Giocondo: First of all, I am not in Poland, I am in Brazil. Second, the prevailing government in Brazil is not socialist, it is a capitalist regime.

FOLHA: That is correct, but you oppose the regime.

Giocondo: I oppose the regime regarding those issues that are harmful to society. What I mean to say is that I oppose the harmful aspects of a capitalist regime, those which exploit men, allowing them to exploit other men.

FOLHA: But Solidarity may well contend that it only opposes the harmful aspects of socialism, just as you allege you oppose the harmful aspects of capitalism.

Giocondo: It cannot. Solidarity has taken the wrong path. The truth is the following: There is freedom in Poland. Even the Catholic Church recognizes this, and there is no better or more adroit politician than the pope; and he tells them to be calm, he calls for order.

FOLHA: But, nevertheless, Solidarity has been repressed, harshly repressed. Do you admit that this movement has been harshly repressed?

Giocondo: Only in those aspects regarding its opposition to the regime and in those in which it served the interests of imperialism. But the entire movement has not been repressed, not at all. The truth is that the leader of Solidarity is free.

FOLHA: But, nevertheless, he has been unable to organize the movement he is willing to lead.

Giocondo: He can go to union meetings.

FOLHA: That is the same as saying that you were free some months ago...

Giocondo: He can organize his own union. There is nothing he is prohibited from doing.

FOLHA: The only thing is that he is not allowed to organize it the way he wants.

Giocondo: You cannot organize a subversive movement. For example, I am not organizing a subversive movement here.

FOLHA: But you say that you are striving for a revolution.

Giocondo: No, I do not. Any citizen who wants the world to advance calls himself a revolutionary, and I am not annoyed at that. Why is it that they have not yet banned [Rio de Janeiro Governor] Brizola, or [Chairman of the Workers Party] Luis Inacio da Silva, alias Lula, because they and the phraseology they use is far more violent, far more radical than that which we use. But now let's return to Brazil. (laughter)

FOLHA: Didn't you like those international questions?

Giocondo: I have to answer your questions. Of course, we must try to talk about what is ours, our people and our nation, to understand each other. Now, if I can, I will try to answer all of your questions.

FOLHA: Does the PCB today have connections with other communist parties? Is there an international organization of communist parties?

Giocondo: This is an interesting point of mutual interest. Yours is to ask, and mine is to answer. The Communist International was dissolved in 1943. The communist movement today has no central leadership.

FOLHA: Is the PCB totally independent from any international links?

Giocondo: We have no international connection as far as organization is concerned. And this you can affirm because it is the truth. We do not deny that we follow a doctrine, which is Marxism. And we are not the only ones who want to make a revolution. Sooner or later, a revolution is going to be conducted by the people of Brazil. What the communists can do at the most is influence the people toward this process, and according to its force, lead the revolution.

FOLHA: When you refer to socialism, do you mean bringing the means of production under government control? Is that what you mean by socialism?

Giocondo: Yes. But disregarding the current political process here in Brazil, speaking in general terms, I have no doubt that the problem of private property is a source of much confusion, even now in the Soviet Union private property is the cause of confusion for their socialism which is not really communism. It is a situation of transition between capitalism and communism; and no one knows when it will become communism. In the Soviet

Union there is no private property as far as the means of production are concerned. But there is private property. One has the right to own a house, to have [a] car, to have money in the bank, and the right to an inheritance.

FOLHA: But are the means of production under government control?

Giocondo: There is no doubt about it.

FOLHA: What is the PCB's opinion of the government's agrarian reform program? It intends to deal with some areas of private property. Does the PCB claim that a productive land estate must also be attacked?

Giocondo: This government program finally makes us believe in Brazil. This government program deserves our support. But we feel that the CONTAG [National Confederation of Farmworkers] project is more complete. In a general manner it meets the interests of the farmworkers. Now, regarding large land estates, whether productive or not, I do not like the idea of taking away a productive land estate.

FOLHA: In the document "A Renewed PCB for a Renewed Brazil," recently released in Brasilia, there is a passage in which the PCB says that it will defend the government of the Democratic Alliance against any destabilizing attempts. Do you fear possible destabilizing attempts?

Giocondo: We have to look at the following: In the current situation in which the country and the economy of the country were left, things can lead to a state of agitation. We do not want that now. Not because we are opposed to it, but because we feel that it is not suitable for the democratic process.

FOLHA: Because you are opposed to what?

Giocondo: We are not going to remain opposed to the people's demands. We support the people's demand. Now we are against precipitous actions.

FOLHA: Can you give examples?

Giocondo: A strike. For as long as all negotiating possibilities are not exhausted, this is a precipitous action. Another example is the agrarian reform program. Only mentioning an agrarian reform program insinuates land invasions. Who knows whether the farmers themselves are not provoking this type of situation to disrupt the current process?

FOLHA: Do you believe that it is happening now?

Giocondo: Yes, it is happening now.

FOLHA: Regarding the strike movement, the document says that the strikers have not always been well conducted.

Giocondo: Of course.

FOLHA: Where haven't they been well conducted?

Giocondo: In several places.

FOLHA: Could you cite an example?

Giocondo: That does not matter, but it is the truth. If there is a strike, it should be properly led and in keeping with the interests of the group.

FOLHA: It seems that the PCB is starting to become concerned over the fact that the present government is continuing to implement the same guidelines as the previous government.

Giocondo: The party has stated that it believes that the present government has continued to enforce some policies of the previous government, but not in every aspect. Ours is not unconditional support, it is objective support. We criticize those aspects that we believe may be harmful or that are harmful. But we will not break our relations with the government just because of this. We shall continue to criticize it when it is wrong.

FOLHA: Does the PCB propose breaking negotiations with the IMF?

Giocondo: No, we do not. We do not propose the enforcement of a moratorium with the IMF, but we are highly critical of enforcing an economic policy that is subjected to IMF demands.

FOLHA: What is the party's legal status, what is its legal situation today? Is the party fully legalized?

Giocondo: Since we are allowed to publish our documents in the official press in keeping with what is established in that reactionary law, that is, the political parties law, it means that our party is legally recognized. We have the right to open our headquarters, to issue propaganda, and to say that we are communists. Moreover, I believe that there is even a law in the making that will grant us the right to participate in the next municipal elections.

FOLHA: What about those communists who are members of other political parties?

Giocondo: We were confronting a paradoxical situation: We were communists, but we could not organize ourselves as a party. However, the situation has changed to a certain extent. Therefore, there is no need for it any longer. Those fellow comrades who are members of other parties need not resort to them any longer. They must join our party and be active party members. But we do not want to achieve this through a decree or by forcing people. This is something that must be done through the free will of the citizen in question.

FOLHA: But the fact is that although it has been some weeks since the PCB was legalized, as you have admitted yourself, these communists have not dropped out en masse from the parties in which they have been actively participating.

Giocondo: But there are not many communists who have been actively participating in other parties. There are some fellow communists who have been active and are still active in some parties, like the PMDB [Brazilian Democratic Movement Party] and other parties.

FOLHA: Aren't they going to switch parties?

Giocondo: That is up to them. We believe they should join the party.

FOLHA: Do you support the idea of continuing this situation in which communists have a two-party membership?

Giocondo: No, I do not. They should make a choice: They should either join the party or stay in the other.

FOLHA: Are you planning to establish a deadline for these persons to make the switch?

Giocondo: No, I do not. These things will be done gradually.

FOLHA: But don't you think that now that the Communist Party is legalized such a situation would mean that these communists would prefer to be active members of other parties?

Giocondo: No, I do not. We have to grant freedom of action to citizens in the vast sense of the word, and we believe that this situation may even be politically interesting. We do not want to change the organization of other parties. We do not want to disorganize them.

FOLHA: Will a communist who continues to have a two-party membership be expelled from the Communist Party?

Giocondo: No, he will not.

FOLHA: Does this mean he will continue to be a member of the Communist Party and of the other party as well?

Giocondo: We should let him make the choice, whether he would like to remove himself from the party; whether he would like to continue within the party; or whether he would like to continue being a member of the other party. We hope time will show him that he is wrong, and that then he will return to the party.

FOLHA: Are there may cases like this? Are there many people in this situation?

Giocondo: I do not think so.

FOLHA: Isn't it difficult for the party to be confronting this situation at this time?

Giocondo: No, it is not. We are actually experiencing a much better situation than the one we were experiencing a few years ago. At least there is no need for our members to exercise a two-party membership.

FOLHA: Don't you think many communists may choose to remain members of their current parties and refuse to join the PCB?

Giocondo: No, no, the party is not only an organization but also a dynamic body. That a citizen should choose not to be a communist and not to join our party is something natural. But it would be nice if he remains our friend.

FOLHA: Is a party membership campaign underway?

Giocondo: We do not need a campaign; the people join us of their own will.

FOLHA: How many members does the legal PCB have?

Giocondo: I cannot give that information. We should have over 10,000 organized members, a small figure for Brazil. But there are many more within the movement.

FOLHA: What do you think of the dispute over party initials with the PC do B [Communist Party of Brazil]?

Giocondo: I think it is an indication of how things are changing. There was a time when no one wanted to be a communist. But now I hear many people claiming to be socialist. Even bourgeois politicians call themselves socialists to gain popularity. I hear people claiming to be communists because their party is called communist like the PC do B. And they even want to use our initials and our flag. On the one hand, I believe this is negative, but on the other, I believe it is an indication of how things are changing, how things are moving forward. This would not have happened 40 or 50 years ago. I believe the Electoral Court will make a final decision on the issue. In my opinion, my party should be the owner of the initials and of the flag. It is very strange to see a party that claims to be communist but that opposes communism. The PC do B opposes the international communist movement.

FOLHA: Why?

Giocondo: The PC do B opposes the international communist movement under the pretext that it is not a Marxist movement.

FOLHA: But you yourself have just said that there is no international communist movement.

Giocondo: There isn't an organization that operates as a Communist International. There isn't, so to speak, a base, a structural center, nor a master central.

FOLHA: But isn't there a movement?

Giocondo: Yes, just as there is a Catholic, democratic, or anarchist movement. The PC do B is on the opposite side. There point of reference is Albania.

FOLHA: Is there a chance Mr Luiz Carlos Prestes will be readmitted now that the PCB has been recognized?

Giocondo: I can assure you that we are ready to talk about our differences with him at any time he wishes, but on one condition: that he accepts the will of the majority. There lies the significance of the party renewal issue. In 1945, when Prestes availed himself of an amnesty, many people joined the party. Many of them were Prestes' followers, and they would go wherever he would go. We even adopted the slogan "we need a great party for a great leader."

FOLHA: Do you think the party grew around a charismatic leader?

Giocondo: Yes, it is obvious, because Prestes was a prestigious leader who suffered under the New State. Now things are different; Prestes left the party of his own will, we did not expel him.

CSO: 3342/192

BRAZIL

BRIEFS

SUPPORT FOR NICARAGUA--Senator Jutahy Magalhaes today asked for more help for Nicaragua. He said that Brazil can and must do more than what it has thus far done to prevent the aggravation of the Central American conflict. In his opinion, it is still possible to prevent Nicaragua from aligning itself with the Soviet bloc, provided the Nicaraguan people's right to self-determination, independence, freedom, democracy, and pluralism is respected. Magalhaes conceded that the Sandinist government has made mistakes and that the United States has exerted pressure on it. After pointing to Nicaragua's socioeconomic difficulties, he concluded that Brazil must use its influence and undertake a common effort with the other Latin American nations in search of a negotiated solution to the Nicaraguan crisis. For his part, Senator Cesar Cals stressed the help Brazil has extended to Nicaragua, particularly in the area of energy development. However, Jutahy Magalhaes demanded more: He believes the Brazilian Government must adopt efficient economic, political, and diplomatic measures in support of the Nicaraguans. [From the Congressional Report] [Text] [Brasilia Domestic Service in Portuguese 2200 GMT 10 Jun 85]

MAY TRADE BALANCE SURPLUS--The Brazilian trade balance showed a \$1.164 billion surplus during the month of May. For the first five months of this year the trade balance has showed a \$4.2 billion surplus. [Summary] [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 6 Jun 85]

AMX PRESENTATION IN ITALY--Rome--The new AMX fighter plane will be officially presented to Brazilian and Italian government authorities in Turin on Saturday. The fighter, resulting from cooperation between Brazil and Italy through the EMBRAER [Brazilian Aeronautics Company], Aermacchi and Aeritalia firms, should be very well received due to its maneuvering and navigation capabilities. The presentation ceremony will be attended by Brazil's air minister, Air Force Gen Octavio Julio Moreira Lima, and the Italian defense minister, Giovanni Spadolini. The two ministers had a discussion yesterday afternoon about Italo-Brazilian aeronautical cooperation, mainly in the high-technology field, emphasizing the brilliant results achieved thus far. Shortly before, General Moreira Lima met with the Italian defense chief of staff, Gen Lamberto Bartolucci, and with the Italian military aviation chief of staff, Gen Basilio Cotone. After having passed all basic tests, there are now two AMX aircraft in continuous flight--prototypes No. 2 and No. 3. The first prototype produced in Brazil, No. 4, is to have its maiden flight in late August, according to what General Moreira Lima reported to Minister Spadolini. Prototype No. 5 will soon be turned out by Aermacchi of Varese. In November it will be the turn of the second AMX fighter of Brazilian production, prototype No. 6. Aeritalia will produce another prototype No. 1 to replace the first fighter, which was destroyed upon landing. Test Pilot Quarantelli managed to divert the aircraft from several houses, but died in the accident. [Article by Rocco Morabito, correspondent] [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 May 85 p 2] 8834

CHILE

OFFICIAL FORESEES MODERATE ECONOMIC GROWTH

PY101810 Santiago EL MERCURIO in Spanish 31 May 85 p A 1, C 4

[Excerpts] Central Bank Vice President Alfonso Serrano has said that based on very conservative estimates, this year's macroeconomic program foresees a moderate growth rate ranging from 2.5 percent to 4 percent and a growth rate of 5 percent for 1986 and 1987.

Moreover, he reported that it will probably be necessary to reorganize the sources and use of currency under the present financial system.

He noted that as the banks and financial institutions have been informed, there is a commitment to the IMF to gradually decrease the interest rate the Central Bank pays for "swap" [as published] operations and that this commitment will be fulfilled.

Asked about the use of negotiable instruments to pay the foreign debt, Serrano said that up to now direct capitalizations for a total of \$3 million have been approved. [passage omitted]

Serrano discussed these issues during a seminar for journalists of the economic sector that was organized by the Finance Ministry and which is being held at the Central Bank building.

The official said that one of the basic aspects needed to fulfill economic objectives under the present circumstances is to promote exports and increase export volumes since it is not foreseen that there will be a substantial improvement in terms of trade.

He said that it will be necessary to make an effort to increase the savings and domestic investment rate. He noted that based on the percentages of the GDP, the investment rate increased from 8 to 14 percent between 1983 and 1984. However, he added that what is needed is an investment growth rate of about 17 percent in 1987 so that by the end of the decade we may have an investment rate of 22.5 percent.

Serrano added that if we are to finance this investment, we need to have domestic savings and that therefore the investment rate should be increased from 5.3 percent to 11.3 percent of the GDP by 1987 to achieve a 19 percent investment rate by the end of the decade. [as published]

In this regard he added that within the development policy that is being implemented, there are plans to carry out a tax reform to promote investments and the financing of housing through the savings system.

He noted that the government will have to double its efforts to decrease its deficit and to adjust its expenses.

Serrano said that in keeping with this plan, the deficit of the non-financial public sector should be decreased from 4.8 percent of the GDP in 1984 to 3 percent in 1985 and that by 1987 it should disappear.

Moreover, savings in the public sector must increase from 0.5 percent of the GDP in 1984 to 5.5 percent in 1985.

Serrano said that the fiscal adjustment program will also include a decrease in current expenses. This will allow the public sector to save more and therefore, the government must establish adequate tariffs that will allow the generation of surplus which will be used to finance investments.

Moreover, he noted that the fiscal sector will uphold a conservative salary policy and that the real salaries of public servants will not be increased. He added that it is very likely that some programs that imply current charges will be revised.

Asked whether this policy will affect the family budget and consumer goods, Serrano noted: "All the necessary adjustments and sacrifices regarding a decrease in expenses and consumption have already been made. Therefore additional adjustments are not foreseen."

Serrano also said that the country has to make additional efforts to increase foreign investments in the country and to continue working on some large projects that can be implemented, some of which are in an advance stage of development. [passage omitted]

CSO: 3348/740

CHILE

EASTER ISLAND USE PROTESTED, U.S. ENVOY COMMENTS

PY111452 Madrid EFE in Spanish 0805 GMT 10 Jun 85

[Article by Juan Jorge Faundes]

[Excerpts] Santiago, 10 Jun (EFE)--A group of Chilean personalities and organizations that oppose the landing of U.S. space shuttles on Easter Island has called upon the nation and the government to preserve peace in Chile and to defend the island.

The call was signed by a provisional committee of several organizations that are representative of Chilean national life. The committee is made up of Nemesio Antunez, Clotario Blest, Monica Echiverria de Castillo, Juan Gomez Millas, Bernardo Leighton, Dr Joaquin Luco, Monsignor Cristian Precht, Raul Saez, Manuel Sanhueza, Radomiro Tomic, and Hugo Zepeda. They are artists, union leaders, intellectuals, scientists, church members, economists, and former lawmakers, covering the whole political spectrum from the left to the right. [passage omitted]

The possibility that Chile and the United States may sign an agreement for the use of the island has been criticized and has prompted debate in Chile, because those who oppose the agreement claim that if it is signed, the island will become a strategic target in the case of a nuclear war.

In a communique, the Group of Organizations for Peace in Chile and for the Defense of Easter Island stated that the fate of Chile and even the survival of all Chileans is at stake. Therefore, inspired by patriotic sentiment and not by opposition feelings we ask that the government make three very simple decisions, which we regard as imperative, the group added.

The first step is to make public all the background information concerning the case, including the NASA request and the text of the agreement.

The second step is to allow and promote a national debate, which should remain outside the struggle between political parties, and which should focus on an impartial assessment of advantages and disadvantages.

A final decision may then be made after consulting the Chilean people through a referendum.

U.S. Ambassador to Chile James Theberge has said that the project under consideration is not as significant nor as serious as those who oppose it have claimed.

Upon returning from a visit to the island, where he made personal observations in the area where the work would be undertaken, the ambassador told reporters that only a 400-meter extension of the airfield will be necessary.

Concerning this 400-meter extension, the ambassador said that archaeologists have pointed out that there are no archaeological treasures in the area.

It is a very simple project, basically a light communication system and an extension of the airfield, the ambassador added. He explained that the project provides for the installation of a communication system that will guide the space shuttles in emergencies.

But I frankly believe we will never use the airfield, because the possibility that space shuttles on the Easter Island route may face an emergency is very remote.

Theberge also said that the airfield will have no military significance, and that it will have nothing to do with military activities.

He added that it will not be a U.S., but rather a Chilean airfield, and that in case of a world war the governments will have to discuss the need to use airfields and bases around the Pacific.

Asked what site will be used to get the 600,000 cubic meters of earth needed to make fillings, which apparently were going to be taken from the Orito Hill, which has archaeological remains, and from the Obsidiana quarry, Theberge said he does not know where the fillings will be taken from, but that the wealth of the island should be protected with the advice of archaeologists.

Regarding the presence of U.S. personnel, he pointed out that there will be no permanent U.S. personnel on the island except in case of launchings, when the ship is in orbit, or in an emergency, and that Chilean personnel will take care of the installations the rest of the time.

With regard to the reaction from the islanders, the U.S. ambassador said that he explained the situation to them the same way he is explaining it now, and that the islanders were very happy because the extension of the airfield will bring more tourists to the island.

Theberge said that it will take from 5 to 6 months to extend the airfield and build the installation, at a cost of approximately \$6 to 8 million.  
[passage omitted]

CSO: 3348/740

CUBA

# LUCIO LARA REMINISCES ABOUT MPLA'S EARLY TIES TO CUBA

Havana BOHEMIA in Spanish No 20, 17 May 85 pp 74-75

[Text] Lucio Lara, member of the Politburo of the MPLA-Labor Party [Popular Movement for the Liberation of Angola], had just returned from the Mayombe jungle in Angola's Cabinda Province, scene of his struggles for that country's liberation, when, in an open and frank interview, I listened to him recall with passion moments out of an unforgettable past and speak with legitimate pride of its present fruits.

The same areas he roamed as a guerrilla leader of the MPLA with Neto he now revisited in order to share with Cuban workers, members of the Arnaldo Milian Castro Internationalist Forestry Contingent, and Angolans who in the thick jungles turn their proletarian brotherhood into the greatest resource of the region, from which they extract lumber.

## Vivid Memories

"I vividly recall Che in that first official contact between the MPLA and the Communist Party of Cuba which took place closeby, in Brazzaville, at the beginning of 1965. There, in a little hut that served our movement as a headquarters, we received Major Ernesto 'Che' Guevara, when he was going with a small group to the Algiers Conference, an opportunity that enabled him to tour several African countries.

"One of Che's ideas was to visit our soldiers in the Cabinda jungles. One could get there by crossing the border with the Congo, but he was just recovering from a bad asthma attack and it was impossible for him to do so.

"We told him of our need for help in the form of Cuban military advisers with guerrilla experience to guide us, organized into commando groups, and Che agreed to put the idea to Fidel. Shortly thereafter, precisely here, near Cabinda, that cooperation began with the first Cuban military instructors. They were very fraternal despite the rigors of the struggle and the conditions, they felt Angolan.

"Here we established the foundations for the consistent internationalist aid that we always received from the Cuban Revolution. Consequently, our relations with Cuba have been solid for a very long time. This cannot be forgotten, especially by the imperialists.

"The previous year, we had been kicked out of Kinshasa, Zaire, by the reactionary government that took power there, and we were reorganizing from Brazzaville."

#### Cienfuegos

"I said that I have very vivid memories of Che because we guerrillas had the chance to study the experiences of the Cuban guerrilla struggle that he was able to synthesize in his writings, even devoting a book to it. I am referring to 'Guerrilla Warfare,' a copy of which he gave me during that interview and which I am keeping it as a great revolutionary token.

"Cuban aid, which would later be increased, was ever more effective, making it possible to consolidate the Cabinda front, extend the fight to other areas of the country and move on to a higher level of struggle with the organization and preparation of large squadrons, which we sent to operate in other regions. These were larger guerrilla columns. The first squadron, which operated near Luanda, near the Caxito area, we called Cienfuegos in homage to the hero Camilo Cienfuegos and with him, to the Cuban Revolution as a gesture of gratitude.

"We guerrillas read Che's works, his writings, with the greatest attention and we found very vivid, rich teachings for our struggle. As an internationalist, as an anti-imperialist fighter, as an economist and the multifaceted revolutionary that he was, Che was a master for all of us.

"It was with great sadness that we received the news of his death shortly thereafter when he was fighting in Bolivia. We also rendered homage to him here. We broadcast the recording of his words during that meeting with Neto in 1965 on the Fighting Angola Program carried by the Brazzaville radio transmitter and we repeated it on every anniversary of his fall."

#### Boomerang

Lara tirelessly related his anecdotes and as he sees the past inseparable from present tasks, he never failed to relate them to the present or to tell of today's endeavors.

The conversation then turned to the futility of the enemy's campaigns to conceal the truth and the meaning of the indestructible ties linking Angola and Cuba.

With a confident air, he warned that "their attacks will have a boomerang effect and just as all their slander aimed at the presence of Cuban troops in our country have failed, at trying to discredit that valuable contribution to our cause and the close cooperation between Cuba and Angola, it is no more than pure rhetoric of which not even they are convinced."

The truth wins out over all the desperate, impotent propaganda of the imperialists and their lackeys, he said, emphasizing with great optimism that even the marks of the complaints of an entire life devoted to the revolutionary struggle confirm it.

"Our cooperation with Cuba is very vigorous, constantly developing, adapting to the changes, just as during the liberation war and now in the defense and reconstruction of the country. In all economic and social fields and no longer solely militarily, contributions have been made by the Cuban internationalists, in health, education, construction, transportation and other branches that would make up a long list. All provinces have enjoyed Cuban cooperation."

From the Heart

"In all areas," he emphasized, "Cuban cooperation has been manifested very efficiently and in a fine way. It is very beneficial cooperation."

He continued emphatically: "It is an extraordinarily generous, clear and significant sign of the understanding and efforts of the Communist Party of Cuba, especially of Comrade Fidel, regarding Angola."

"It is not easy to appraise that cooperation because it comes from the heart, given intelligently and with a solidary, fraternal and unselfish spirit. In addition to the concrete material value it represents, it has great human and revolutionary value. It is exemplary cooperation. It is difficult to find anything like it in the world today, where the developed capitalist nations subject the poorer countries to the most shameless vassalage and unjust economic order."

The brief interview -- or rather, the valuable lesson just given by an outstanding African freedom fighter -- came to a close with the cordial and sincere embrace of the reporter and only a few minutes before the member of the MPLA-PT Politburo took the plane that would carry him from Cabinda to the Angolan capital of Luanda.

The dialogue had to come to a close under the pressure of the constant tasks which any revolution demands, but his memories and statements will be safe and ever more relevant with the irreversible passage of time and the sharp attacks of the imperialists.

11,464

CSO: 3248/399

CUBA

'WE ARE THE WORLD' UNDERTAKING TO AID AFRICA PRAISED

Havana BOHEMIA in Spanish No 17, 26 Apr 85 p 24

[Text] In recent days, television broadcast a video featuring some of the most outstanding pop music artists in the United States. With the theme "We Are the World," 45 famous singers bore witness, in this simple song, to their unselfish aid to different African countries through the funds generated by the recording.

What is the story behind the video, the recording?

Moved by an Australian film narrating the situation of Ethiopia -- that country is going through one of the worst droughts in its history -- Harry Belafonte, the well-known and politically aware singer, conceived the idea of making a recording with the most famous American pop music singers. A month after seeing the film in question, Belafonte gathered together important "hit parade" figures in a Los Angeles studio: Ray Charles, Bruce Springsteen, Willie Nelson, Cyndi Lauper, Billy Joel, Tina Turner, Kenny Rogers, Kim Carnes, Paul Simon, Diana Ross, Huey Lewis, Bob Dylan and others.

The recording was an immediate hit in record stores and on radio stations. For example, Tower Records in West Hollywood sold 1,000 copies in 2 days. The song was requested by listeners to 256 radio broadcasting stations, which, according to the RADIO AND RECORDS magazine poll, meant a rating of 91 percent only 7 weeks after it went into circulation.

Columbia Records initially made a half million copies of the record on 6 March. Six days later, a million more copies went on sale.

However, the most important thing about the unusual success in the record and video world is that the earnings collected will be transferred to "USA for Africa" (United Support of Artists for Africa), a foundation which will in turn send the funds to other recognized entities to be used to aid the African continent.

11,464  
CSO: 3248/399

CUBA

BRIEFS

LEGAL ACCORD WITH CONGO--Havana (AIN)--A complementary accord concerning legal and judicial assistance between Cuba and the People's Republic of the Congo was signed here yesterday at the Ministry of Foreign Relations. The document was signed by Juan Escalona, member of the Central Committee and minister of Justice, and Dieudonne Kimbembe, minister of justice of the People's Republic of the Congo and a member of the Central Committee of the Congolese Labor Party. The accord concerns mutual legal aid, the handling and submission of legal documents and the documents of rogatory commissions and their execution. The accord also covers the appearance of witnesses and experts on penal procedures, legal precedent and criminal records, matters relating to nationality, legislation, civil status and access to the courts. The accord will be in effect for 2 years and its validity will be tacitly extended for another 2 years unless one of the parties should declare otherwise in writing at least 6 months before its expiration. The ceremony was attended by Jose R. Viera, acting minister of foreign relations, the deputy ministers of foreign relations, Ramon de la Cruz Ochoa, deputy minister of justice, Roger Issombo, ambassador of the People's Republic of the Congo in Cuba, and officials from both ministries. During his stay in Cuba, the minister of justice of the Republic of Cuba also met with Maj Ramiro Valdes Menendez, minister of interior and member of the Politburo of the party's Central Committee, Jesus Montane, alternate member of the Politburo and head of its General Department of Foreign Relations, and Flavio Bravo, president of the National Assembly and member of the Central Committee. At all meetings, Dr Dieudonne Kimbembe was accompanied by his Cuban counterpart Juan Escalona Reguera. [Text] [Havana GRANMA in Spanish 23 Apr 85 p 3] 11,464

CSO: 3248/399

DOMINICA

CATHOLIC CHURCH CAUGHT IN PRE-ELECTION CROSSFIRE

Willemstad AMIGOE in Dutch 26 Apr 85 NAPA Supplement in English p 16

[Text]

ROSEAU, DOMINICA, CANA  
— Amidst campaigning for imminent general elections here, the Roman Catholic Church has found itself caught up in the cut and thrust of local politics. The opposition Labour Party of Dominica (LPD) is accusing this predominant denomination of supporting the ruling Freedom Party (DFP) for a second five-year term. Activists of the newly regrouped LDP point accusing fingers particularly at the Bishop of Roseau, Arnold Bogheart, and a priest. But Vicar-General, Fr Francis Huysmans, said the Catholic Church doesn't dabble in party politics.

"I have stopped going to this church because the priest there is no longer preaching the word of God", said the catholic Yvette Barzey, the LPD candidate who will challenge Prime Minister Eugenia Charles. "They (the Roman Catholic Church) are behind them (DFP)", said another DFP candidate, preacher Paul Joseph, at a recent public meeting. But Huysmans, director of a Pastoral Centre here, said the church's interest in politics centres on promoting the welfare of people — the church — and nothing more.

"With regards to party politics, the church has another stand (which) says that as far as church leaders are concerned, they should not be directly involved in politics (though) they all have the right to vote for whoever they want", he said. Roman Catholics comprise 85 per cent of Dominica's population of 74 300. The election is constitutionally due by October, but political observers speculate it may come about three months earlier.

It will produce a straight fight between the LPD and the DFP. The DFP is seeking re-election on its performance during its five years in office, a period the LPD contends has been characterised by economic mismanagement. Twenty one parliamentary seats are up for grabs.

Huysmans said what the church has been doing — which it feels is its duty — is explaining its social teachings as they relate to various political systems and ideologies. "When doing that, she will of course hurt a number of people. If they feel we are unduly meddling in party politics, it reveals that their conscience is not very clear with regards to some of those ideologies", the senior priest said. He went on: "For instance, if the church speaks out against communism and marxism and some leaders of the Labour Party feel offended, well it shows that they feel attacked and by saying that, they show their colour".

"It is not the church saying what this party is or not, but the parties themselves in their reactions revealing what they are in fact", he said. Huysmans believes the fact the Roman Catholic Church has the island's largest denominational following is the reason for the opposition criticism. Both parties

have been holding major rallies across this mountainous 289 square mile island, attracting large crowds. The DFP and LPD have introduced bouncy calypso tunes into the campaigning, playing them between speeches at rallies — to the delight of supporters.

"Viva mama Eugenia. We need you in Dominica. We shall remain in power", sings calypsonian "Spider" for the DFP. The UDP, its eyes obviously on power, has been chanting "We know where we are going... for Labour has risen again". Prime Minister Charles says her party's greatest aim is to create more jobs to alleviate unemployment, a major problem especially among the youth. "We won't be making any promises for this election. We are in a position to make plans, because we know what we have there, we know who we can ask for help and we know that we will get the help", she declared. The focus of the DFP's first term has been improving the island's poor infrastructure, especially roads, with the help of American and European financing, and attracting investment.

For Michael Douglas, a one-time Finance Minister who leads the LPD, the party's number one priority is also the creation of jobs. He says a LPD government will also have to work on instilling in Dominicans the need to be more productive. The LPD, under its old name of the Dominica Labour Party (DLP), held power for many years until its demise under former Prime Minister Patrick John in 1979 amidst civil unrest. John, an LPD candidate, faces charges of conspiring to overthrow the Charles administration. The DFP is fielding a full slate of candidates, while the LPD is contesting 19 of the 21 constituencies, having decided not to challenge independents in the other two. Political observers predict the election will be one of the keenest here in decades.

■

CSO: 3298/717

DOMINICA

BRIEFS

ATTACK ON WORLD BANK POLICY--BRIDGETOWN, Saturday (CANA)--Dominica has criticised the World Bank's decision to cut off concessionary financing to the seven-nation Organisation of East Caribbean States (OECS). Dominica's position on the so-called "graduation" of the OECS countries by the bank was set out to the annual governors' meeting of the Caribbean Development Bank (CDB), which ended here this week. Alick Lazare, Dominica's alternate governor, noted that the OECS countries, like their more developed counterparts in the region, were adversely affected by falling production and exports. "...The need for concessionary finance has never been more critical," Lazare added. He said the decision of the World Bank and its associate agency, the International Development Association (IDA), had caused "considerable dismay and discouragement..." The effect has been to disqualify the OECS from World Bank credit [Text] [Port-of-Spain SUNDAY EXPRESS in English 25 May 85 p 4] [date as published]

CSO: 3298/700

DOMINICAN REPUBLIC

BRIEFS

COMMUNIST LEADER RESIGNS--Santo Domingo, 25 May (EFE)--After 20 years in the Dominican Communist Party (PCD), Jose Israel Cuello formally resigned the directive positions he had been occupying in the Central Committee of the biggest communist organization of the Dominican Republic. In his letter of resignation, Cuello said that a party cannot have two concepts; that his, regardless of how it is described, is a minority one. In his letter, Cuello, who along with the secretary general of the party, Narciso Isa Conde, has enjoyed great influence in the PCD, voiced his dissatisfaction with the existence within the party of tendencies or groups who apparently ignore the line approved by the majority at the party congress. Cuello is a founding member of the PCD, when in 1965, a group of militants and leaders of the Popular Socialist Party, due to differences in the party line, resigned and created the PCD. [Text] [Madrid EFE in Spanish 0347 GMT 26 May 85 PA]

DEBT RESCHEDULED--The Dominican Republic has rescheduled almost \$300 million of its public debt to the so-called Paris Club until 1995. In a televised speech, President Salvador Jorge Blanco said \$127 million coming due between now and April 1986 has been rescheduled until 1995, with a 6-year grace period. Of the payments that had become due between 1980 and 1984, 75 percent were rescheduled until 1990, with a 3-year grace period. The Dominican Republic's foreign debt totals more than \$3 billion. President Jorge Blanco says the rescheduling will increase the country's economic and financial stability. [Text] [Bonaire Trans World Radio in English 1130 GMT 23 May 85 FL]

CSO: 3200/46

ECUADOR

## FRAUDULENT OPERATIONS LEAD TO DISCOUNT BANK'S INTERVENTION

Guayaquil EL UNIVERSO in Spanish 9 May 85 p 1

[Text] The Superintendency of Banks yesterday formally intervened in the Discount Bank, and its general manager, Gonzalo Icaza Martinez, was arrested and brought here from Quito. The reason for these actions was a virtual bankruptcy resulting from fraud, causing the bank to lose 3,699 billion sucres after extending 5.8 billion sucres in loans to just two economic groups.

Meanwhile, hundreds of depositors descended on the bank yesterday to withdraw their savings, while tens of thousands of sucres were withdrawn from checking accounts in a process that was entirely backed by the Central Bank.

Central Bank General Manager Carlos Julio Emanuel in turn filed a formal accusation at the Guayas Police Headquarters against Icaza Martinez and the members of the Discount Bank Board of Directors. He asked that they be prosecuted in a criminal action for carrying out fraudulent operations which were verified and reported last 2 May by the Superintendency of Banks.

### Concentration of Loans

The Discount Bank "broke" primarily because of a concentration of loans amounting to 5.8 billion sucres, extended to two business groups identified in the charges as the Feraud Group and the Carrillo Group.

These two borrowers received the equivalent of 51.05 percent of the bank's loan portfolio, which amounted to a total of 11.361 billion sucres.

Icaza was formally accused of violating Article 167 of the General Banking Act, which prohibits these institutions from engaging in transactions involving more than 10 percent of their total capital and reserves with a single moral or natural person.

According to the latest report of the Discount Bank, dated 31 December, its paid capital amounted to 300 million sucres and its reserve funds totaled an additional 300 million sucres. This means that the loans extended to the Feraud and Carrillo Groups amounted to more than 100 times the maximum allowed.

## Liquidity Problems

The debtors' inability to meet their obligations led to increasing liquidity problems in the institution. The Superintendency of Banks discovered in the last days of April that the Discount Bank had only 110 million sucres in reserve to deal with its mounting losses, and the authorities considered this amount woefully inadequate. Rumors about the desperate situation led to a run on the bank, with 693 million sucres withdrawn in the last 2 weeks. This led to an intolerable disparity between the bank's cash assets and its liabilities.

## Losses

A management that was described by Emanuel himself as "illegal, negligent and arbitrary" resulted in losses of 3.699 billion sucres to the bank. These losses may climb further because it will be difficult to collect on the bank's portfolio.

Official sources said yesterday that the situation went on for 5 years, growing increasingly worse.

## Institutional Liability

Emanuel's accusation implied that the Superintendency of Banks was also liable for the problem, by stating that the controller of that institution did not report the severe insufficiency of guarantees to back up Central Bank bonds. According to this assertion, the Discount Bank renewed documents so that they could be rediscounted in the Central Bank, leading to losses of millions of sucres.

8926

CSO: 3348/693

ECUADOR

## BANK SUPERINTENDENT RESIGNS AS RESULT OF BANK'S COLLAPSE

### Troya's Sudden Resignation

Guayaquil EL UNIVERSO in Spanish 14 May 85 p 1

[Text] Quito--The superintendent of banks, Dr Jose Vicente Troya, unexpectedly tendered his irrevocable resignation yesterday to the National Congress. The outgoing official sent a message to the Secretariat of the Legislature from Garcia Moreno Prison, where he has been incarcerated since last Friday on orders from the chief justice of the Supreme Court of Justice, Dr Gonzalo Cordova Galarza.

Troya Jaramillo's resignation took place as a result of the collapse of the Discount Bank of Guayaquil, which is in the process of returning deposits to holders of savings and checking accounts, due to its liquidity problems.

Troya was imprisoned after the manager of the Central Bank of Ecuador made a formal accusation against him for mismanaging the Discount Bank for several years, practically leading it to bankruptcy.

The bank superintendent's resignation does not in any way change his legal standing with regard to his criminal prosecution by the chief justice of the Supreme Court.

### Congress

The text of the bank superintendent's resignation was read in Congress yesterday. Troya was elected by the then House of Representatives on 1 October 1981 by a vote of 40 legislators, some of whom were from political parties other than his (Troya is a member of Popular Democracy). He stated in one section of his lengthy resignation, which is a kind of report on his accomplishments, "I would like to exercise the freedom of an honored citizen to reveal all the truth that is necessary for my defense, and no more, but of course that which is necessary. Above and beyond the understandable motives of indignation in view of the injustice that has been committed, the interests of the common good must prevail and safeguard my honor and the survival of Ecuador's financial and banking system.

## Text of Troya's Resignation

Guayaquil EL UNIVERSO in Spanish 14 May 85 p 5

[Text] Quito---Yesterday, unexpectedly, the superintendent of banks, Dr Jose Vicente Troya Jaramillo, tendered his irrevocable resignation to the National Congress, the highest organ of the legislative branch which named him to his post 4 years ago. The resignation came in the form of a communication addressed to the president of the National Congress, Raul Baca Carbo, and was delivered by the resigning official's wife.

Of course Jose Vicente Troya's resignation as superintendent of banks in no way changes his legal standing with respect to his criminal prosecution by the chief justice of the Supreme Court, but his sudden change in position prompted a variety of comments in legislative circles after the communication was read yesterday at the opening of the evening session. This marked the beginning of the third week of the current special session of Congress.

### Resignation

The message sent to the president of the National Congress reads as follows:

Mr President: On 1 October 1981 I was elected bank superintendent of Ecuador by a vote of 40 legislators, members of the then National House of Representatives. The members came from different political parties, and included the current vice-president of the republic and the minister of education. Although they did not share my ideology or my party, they deemed that I possessed the necessary ability and indispensable honesty for carrying out these prestigious, complex and delicate functions.

1. The election was for a term of 5 years, pursuant to Article 116 of the Political Constitution of the Republic, which was in force at the time. In 1983, however, this constitutional provision was reformed, and the term of the bank superintendent was reduced to 4 years. This reform was carried out by means of a provisional clause that stated, "Notwithstanding . . . the officials appointed by the National House of Representatives shall continue to carry out their functions until the end of their respective terms."

Therefore, because I was elected by the National House of Representatives on 1 October 1981 to serve as superintendent of banks, I was obligated to remain in office until 1 October 1986, and anyone who must "respect and defend the Constitution" has a duty to obey and enforce these constitutional mandates.

### Worst Crisis

2. Brief report on accomplishments, thanks to colleagues.

In carrying out my functions, I have been very enthusiastic and devoted to the goal of controlling a financial system that has been shaken by the worst crisis in the last 50 years.

I have been aided in this regard by the officials of the Superintendency, to whom I express my gratitude.

My accomplishments can be seen in the reports I have submitted to the National House of Representatives, which are part of the well-publicized record of that institution. I believe it is appropriate to note the highlights of my achievements here:

- a) The control of the para-bank system, which was included in the Economic Regulation and Public Spending Control Act at the request of the Superintendency of Banks. This control includes financial intermediaries, exchange intermediaries, companies that make portfolio purchases, and credit cards.
- b) The major development of training through the Training Center, which offers systematic courses to officials. For this purpose, a Master Plan was devised to undertake the respective diagnosis and establish the different stages of development.
- c) The international reputation of the Superintendency of Banks. Today I am the president of the bank supervision organizations in Latin America and the Caribbean. I was elected in Quito in 1983. In September 1984 I was unanimously reelected to the post in Rome, and my term expires at the end of May 1985. One of the main concerns of this international organization is the supervision of bankruptcy proceedings that result from bank crises in various countries.
- d) The issuance of the Single Accounts Catalogue, which began this year after 2 years of preparation. The Catalogue is a very important accounting tool that will enable the institution to exercise maximum control, especially with the use of computerized systems.
- e) Administrative decentralization. For the first time in the 57-year history of this institution, important functions are delegated to the Bank Intendency of Guayaquil.

#### Political Retaliation

3. Nonetheless, driven by the desire to retaliate against me; by his hatred for the Popular Democracy Party, of which I am a member; and by his thirst for power, which is not quenched by the role the people have given him by electing him constitutional president of Ecuador, Leon Febres-Cordero has tried every trick in the book to remove me from my post before the expiration of the term set forth in the Political Constitution of the Republic.

When all his schemes failed, he had to try the most reprehensible of all, that of accusing me of infractions and crimes and forcing me to appear before the judges of my country.

But before I could appear before the appropriate judges and before they could hand down their judgments, Leon Febres-Cordero himself used illegal methods to quash the writ of habeas corpus.

## Defend Honor

4. I will appear, I am appearing before those competent to judge me, and I want to do so like a man of honor, with the highest title I can claim, the same title all my compatriots claim, that of simple citizen.

Mr President of the National Congress, I want the justice of my cause and the force of my arguments to triumph, so that there can be no doubt of any influence exerted by the high public office to which I was indirectly elected, in accordance with the Constitution, to serve until now, as head of the Superintendency of Banks.

I would like to exercise the freedom of an honored citizen to reveal all the truth that is necessary for my defense, and no more, but of course that which is necessary. Above and beyond the understandable motives of indignation in view of the injustice that has been committed, the interests of the common good must prevail and safeguard my honor and the survival of Ecuador's financial and banking system, which were entrusted to me until now.

## Irrevocable Resignation

Finally, I would like to triumph over the conceit and arrogance of Mr Febres-Cordero, the current constitutional president of the Republic of Ecuador who is vested with as much power as his intemperance confers upon him, with the modest words of the common man.

Consequently, I submit to you, and through your gracious mediation to the National Congress, my irrevocable resignation as superintendent of banks of Ecuador.

I convey once again my most heartfelt greetings to you, and assure you that I am willing to account for my actions before the National Congress, for which purpose I hope to be allowed to testify.

Sincerely yours, (signed) Dr Jose Vicente Troya Jaramillo, Superintendent of Banks.

8926

CSO: 3348/693

ECUADOR

# MONETARY BOARD PRESIDENT VIEWS DISCOUNT BANK SITUATION

Quito EL COMERCIO in Spanish 15 May 85 p A-1

[Text] Monetary Board President Raul Clemente Huerta asserted that the problem of the Discount Bank is not a national catastrophe, and that the country will not suffer as a result of this situation.

Huerta, along with other officials and bankers from Guayaquil, held a meeting with President Leon Febres-Cordero at the Palace. Also present at the meeting was Central Bank Manager Carlos Julio Emanuel.

The head of the Monetary Board claimed that there will be no international repercussions because of the Discount Bank case, indicating that the country's negotiations are continuing, the banks are still working, and the progress of the country's financial sector is assured.

He noted that the government has given specific instructions that no Discount Bank saver shall suffer any damages.

With regard to the possible rehabilitation of the bank, he stated that it could be brought back to health, and that the possibility of an opening, whether total or partial, should never be rejected.

Agriculture Minister Marcel Laniado, another who attended the meeting (which lasted over 2 hours), explained that it is unacceptable for Ecuadorean bankers to use savers' funds for their own benefit.

Laniado, who used to manage the Bank of the Pacific, added that the situation at the Discount Bank arose because the government is trying to clean up the financial system, and what happened is an indication that savers' money will be respected.

With reference to the Bank of the Pacific, he contended that the situation is normal; the bank now has a surplus of more than 380 million sucres, and its deposits are at a record high.

Liberal legislator Alvaro Perez, who also attended the meeting, maintained that if the general committee of the National Congress takes up the Discount Bank case, a purely legal matter will be turned into a political affair.

He claimed that the general committee should conduct public hearings so that the Ecuadorean people can obtain some benefit from the case, which is being used for political ends to the detriment of justice.

EL SALVADOR

ZAMORA DISCUSSES GOVERNMENT CRISES

PA290339 Havana International Service in Spanish 0000 GMT 29 May 85

[Passage within quotation marks recorded.]

[Text] Ruben Zamora, member of the Salvadoran Political Commission of the Revolutionary Democratic Front, FDR, made statements to Cuban news media representatives over the telephone from an undisclosed place in Central America. First, he referred to the fact that none of the cardinals recently appointed by the Vatican are members of the Salvadoran Catholic Church.

[Zamora] "In my opinion, the Salvadoran Catholic Church, which is playing a very important role in trying to find a political solution to the country's crisis and war, would have been reinforced in its mediation role in the conflict if one of its member had been promoted to cardinal."

Ruben Zamora also talked about the crisis in the dialogue between the Salvadoran guerrillas and Jose Napoleon Duarte's regime:

[Zamora] "There is a crisis because the government of Napoleon Duarte does not want to take definite steps to decide on the dates and places to hold the meetings. The FMLN-FDR has submitted two proposals and the government has rejected both of them. On the other hand the Salvadoran Government so far has not submitted any proposals on continuing the dialogue. The conclusion we have reached is that the Duarte regime is taking public and tactical advantage of the dialogue and is not assuming a responsible attitude by trying to find a political solution to the conflict."

Ruben Zamora also referred to the story of the Salvadoran regime regarding documents seized from a guerrilla commander, indicating that the Salvadoran patriots are receiving aid from abroad:

[Zamora] "I doubt the credibility of those documents. Some documents were probably seized when Commander Nidia was captured in combat. However, as I said before, the credibility of these documents is doubtful, based on previous episodes in which the Salvadoran Government has fabricated materials based on some authentic documents. For example, in 1981, the Salvadoran Government released a document on mediation issued by our front, in the government added one page which had entirely changed its meaning. More recently, just a few

weeks ago, the government fabricated materials to try to prove that Commander Joaquin Villalobos was dead. The government showed international news media alleged FMLN correspondence referring to the funeral of Commander Villalobos, who is alive, and who held a press conference with foreign journalists and a meeting with a U.S. delegation. I think that the Salvadoran Government and the Armed Forces high command are totally absorbed in what they call the counter-insurgency psychological warfare. I have the impression that what they have not been able to win in the battlefields, they want to win through propaganda and fabrications of this type. Therefore, the credibility we give the government is minimum. The alleged documents found on Commander Nidia Diaz have had practically no repercussions in the United States and much less in the Latin American news media."

CSO: 3248/395

EL SALVADOR

BRIEFS

FDR LEADER SAYS SALVADORAN GUERRILLAS STRONG--Guillermo Ungo, president of the Revolutionary Democratic Front [FDR] of El Salvador has said in Managua, Nicaragua that the strength of the Salvadoran guerrilla movement is so great that a powerful nation such as the United States has not been able to defeat it in 5 years. Guillermo Ungo added that the Salvadoran guerrillas receive political solidarity from the entire world, including the U.S. people and the FSLN. The FDR president met in Managua with Commander Bayardo Arce, coordinator of the FSLN Political Commission, on the occasion of the upcoming meeting of the Socialist International to be held in Buenos Aires on 28 May. Ungo said the Buenos Aires meeting will discuss, among other topics, the Central American situation, the Southern Cone's problems of democratization, and the foreign debt issue which is burdening the Latin American countries. [Text] [Havana International Service in Spanish 0000 GMT 24 May 85]

CSO: 3248/398

GRENADA

NUTMEG INDUSTRY SHOWING SLIGHT SIGNS OF RECOVERY

Port-of-Spain TRINIDAD GUARDIAN in English 22 May 85 p 15

[Text]

ST. GEORGE'S, Tues., (Cana):  
GRENADA'S important nutmeg industry showed slight signs of recovery in the last six months of 1984, but not enough to stave off losses in excess of \$280,000, according to the Co-operative Nutmeg Association.

The association, in a report to be presented to a general meeting of producers on May 29, also pledged to ignore dim projections of the long-term future of the industry made by an American spice expert, and proceed with plans to increase exports to the United States.

The report spoke of a considerable recovery in the demand for nutmegs in the international market, and said Grenada managed increases in the exports of both nutmegs and mace.

The island's earnings from these exports also increased significantly, from \$4.4 million in the final six months of 1983, to \$6.7 million in the last half of 1984.

Nutmegs, together with bananas and cocoa are important industries in Grenada, accounting for most of the island's employment and foreign exchange.

But the long-term future of the industry was questioned by the Executive Vice-President of the American Spice Traders Association, Mr Thomas F. Burns, in a report he prepared.

The association quoted from the Burns report which states that the flavour of Indonesia nutmeg is preferred over the Grenada variety.

Difficulty in grinding the Grenada nutmeg also makes the Indonesian variety more appealing, Burns is quoted as stating.

The United States currently imports four to five million pounds of nutmegs a year, but, according to Mr Burns, in the past ten years, Grenada's share averaged 8.8 per cent.

MEXICO

'MANIFESTO OF MEXICAN DEMOCRACY' RELEASED IN MONTERREY

PRI Members Among Signers

Monterrey EL NORTE in Spanish 19 Apr 85 p 1-B

[Article by Lourdes Solis]

[Text] A citizens group including workers, businessmen and members of various political parties has issued a Manifesto of Mexican Democracy that calls for citizen involvement in honest elections.

The civic movement, called "Democratic Conscience," drafted a proclamation 3 days ago in which it underscored the importance of honest elections, voicing the view that democracy can strengthen the individual freedom of all Mexicans.

In 3 days the founders of the movement have gathered 126 signatures, including those of 4 gubernatorial candidates and other members of political parties with opposing ideologies.

The proclamation was signed by these four candidates for state governor: Lucilda Perez Salazar from the PSUM [Unified Socialist Party of Mexico], Fernando Canales Clariond from PAN [National Action Party], Daniel Salazar from the PRT [Revolutionary Workers Party], and Maximo de Leon Garza from the PST [Socialist Workers Party].

Businessmen Andres Marcelo Sada, Rogelio Sada and Eugenio Clariond Reyes, a PRI member, are among the signers, but the list also includes housewives, blue-collar workers and professionals.

The founders of the movement are Fernando Elizondo Barragan, Jorge Farias Arizpe, Javier Livas Cantu, Hector Palacios Martinez and Mauricio Zambrano Villarreal.

They feel that most people have a sense of democracy but that it is important to educate them before they vote so that the benefits can be seen in the period after the elections.

If a candidate succeeds in winning a government post, they said, he will then discharge it in the knowledge that he must govern for all, including those who did not vote for him.

Elizondo Barragan said that the group was formed 2 months ago to bring people together around the common goal of democracy.

The Manifesto of Mexican Democracy states that Mexicans have a right and a duty to make sure that democracy is respected and improved in their country.

The signers of the document pledge their "word and honor" to live up to it.

One of the assertions in the document is that the signers shall encourage the people to express their will and shall defend that will as expressed at the ballot box.

"We shall oppose, speak out against and combat vigorously any attempt that we learn of to detract from the honesty and peacefulness of the elections or to flout the will of the Mexican people as expressed at the ballot box, thus avoiding any complicity with those who would undermine democracy," another section asserts.

#### Objectives

The founders of the movement indicate in their document that their main objective is to create an awareness of the importance of democracy as a form of government.

They also seek to boost the confidence that citizens must have in elections, promote participation and encourage all to vote freely and responsibly.

Another of their goals is to push for the necessary changes in federal and state election laws and in the official regulations governing the activities of election officials.

The manifesto also calls on citizens to monitor polling places during the voting to prevent any breaches of the peace and, if circumstances so merit, to demand through the appropriate channels that the vote be respected.

#### Signatures

Farias Arizpe said that the group approached Jorge Trevino, the PRI candidate for governor, but that he refused to sign the manifesto.

Also signing the proclamation, in addition to the aforementioned businessmen, were Adan Elizondo, Jorge Fernandez Ruiloba and Bernardo Elosua.

The PRI signers were Eugenio Clariond Reyes, Federal Deputy Juventino Gonzalez Ramos, former Governor Eduardo Livas Villarreal, Jacobo Ayala from CEPES [Center for Political, Economic and Social Studies] and Oscar Adame.

In addition to Canales Clariond, the list of PAN signers included Luis J. Prieto, the party's regional head; Jose Luis Coindreau, Luis Santos de la Garza, former Deputies Gonzalo Guajardo and Consuelo Botello de Flores, and Federal Deputy Miguel Guerrero.

The following PSUM members signed the manifesto: Federal Deputy Encarnacion Perez Gaytan, Jesus Ibarra Salazar and Eusebio Ramos, in addition to the party's gubernatorial candidate.

The PRT signers, in addition to the party's candidate for governor, were Rosalio Quintero and Agustin Acosta.

The list also includes people who are not members of any party, among them students, blue-collar workers, professionals, athletes and housewives.

Farias Arizpe said that the group is asking people who want to sign the manifesto to do so in the company of two other persons so that there are witnesses to the personal commitment they have made.

He stated that since the group has gathered 126 signatures in just 3 days, it expects to collect a great deal more in short order, inasmuch as the manifesto's principles are based on the nature of any society.

The founders have not formed a committee to gather signatures, and while they do, they hope to garner support through the people who have already signed.

Elizondo Barragan said that only individuals can sign, not entire groups or institutions.

"If Adan Elizondo, president of the Employers Center, has signed, it does not mean that he has done so on behalf of his institution, because people sign as individuals," he indicated.

The promoters of the movement stated that the manifesto is the result of a disinterested effort and they therefore do not expect any group to criticize them.

They said that they would soon make known how those who want to sign the manifesto can do so, inasmuch as they have not set up an organizing committee yet or implemented the mechanics of gathering more signatures.

The individuals who have signed the manifesto have offered to show it to other citizens to further publicize the goals of this civic movement.

Additional Signatories

Monterrey EL NORTE in Spanish 29 Apr 85 p 4-B

[Excerpt] A thousand more people have signed the Manifesto of Mexican Democracy, bringing to 1,126 the total number of individuals who have committed themselves to this one-of-a-kind movement in the country.

Among the 1,000 new signatories of the manifesto are Miguel Arce, Idalia Cantu de Livas, Mario Garza, Ismael Rodriguez Campos, Eduardo Padilla, Norma Villarreal de Zambrano and Ernesto Canales.

Also signing were Francisco Garza Gonzalez, Baltazar Ponguta, Xavier Melendez, Gerardo Garza Sada, Mario Aguirre Villafana, Amado R. Diaz and Ricardo Saldana.

The manifesto came to light in Monterrey on 14 April as an appeal to the democratic conscience of the people of Nuevo Leon, said one of the members of the movement, who asked not to be named.

He announced that there would soon be an expanded signature-gathering effort, with some sort of arrangement to combine the new signatures with previous ones.

8743

CSO: 3248/381

MEXICO

# DECLINE IN RURAL LIVING STANDARD ACKNOWLEDGED OFFICIALLY

Mexico City LA JORNADA in Spanish 7 May 85 p 3

[Article by Hermenegildo Castro]

[Text] From 1982 to 1984 the consumption of calories and proteins among the rural population went down 18 percent, unemployment rose, private and social investment dropped and the general conditions of backwardness and poverty in the rural area worsened, according to the final version of the 1985-88 PRONADRI [National Program for Overall Rural Development].

Based on the information in the document, President Miguel de la Madrid emphasized in the introduction to the PRONADRI document that it is indispensable to reevaluate the role of the rural sector in the development strategy. He warned: "There cannot be a structural change in the country without a strong primary sector."

He stressed the urgency of narrowing the gap between urban and rural standards of living and making progress toward self-sufficiency in basic grains and other products "to avoid food vulnerability within the context of international uncertainty."

LA JORNADA has a copy of the document. De la Madrid stated in the introduction: "We cannot let the country fall into food dependency which would weaken the unity of Mexicans and endanger national independence."

The president's introduction dated 29 April recognized the existence of grave backwardness in health, education, housing and consumption in the rural sector compared to other sectors of the economy. PRONADRI is considered a strategic and multisectorial program.

President de la Madrid indicated that it is indispensable to reevaluate the role of the rural sector in development strategies in order to connect agricultural activity more effectively to the industrial and commercial sectors.

According to official sources, PRONADRI--which is not yet in effect--will be presented this month. It was postponed last February in order to make some changes based on the 4-percent cut in public expenditures caused by the drop in international oil prices.

The document stated that extortion in the rural economy, which hinders consolidation of the bases of accumulation needed for self-sustained growth of the primary activities, and the loss of investment dynamism in the rural area form the essence of the crisis that rural development faces now.

It pointed out that the direct effect of lower prices on the producer has further limited private and social investment in the rural area and aggravated the decapitalization of the agricultural-livestock sector and unemployment.

It also recognized that the increased resources channeled through public investment have not been enough to revitalize rural production. Meanwhile, private investment has concentrated on mechanization which seeks greater productivity and less manpower.

In 1983 the reduction of federal public expenditures---also caused by a drop in the international oil price---had major repercussions on agricultural-livestock investments. They went down 8.4 percent compared to the year before. This mainly affected completion of major irrigation projects, rehabilitation and harnessing and conducting water.

It indicated that the areas with populations of up to 15,000 inhabitants have been left out of development activities. That is why "the strategy for overall rural development gives them priority in activities." The target population of PRONADRI totals about 30 million. It will reach 33 million by the end of the 6-year term.

It estimated that more than 3 million families receive most of their revenue from agricultural activities. In 1963, the average income of the head of an agricultural family was half the income of nonagricultural families. By 1977, this proportion was down to 35 percent.

PRONADRI does not offer current figures on this but recognizes that national income has polarized between the country and the city. It also indicated that, in 1970, about 2.1 million people did not have any income.

The peasant families' percentage of national income continues to go down. Family income depends more and more on wages and nonagricultural sources.

The document stated: "Wages for agricultural-livestock occupations represented only 8 percent of the total income from wages in 1968. This proportion went down to 3 percent in 1975." These are the most recent figures in PRONADRI.

It indicated that the income and standard of living of the majority of the rural population have gone down even faster since then. The real decrease in agricultural and livestock prices that worsened in 1981-82, the decrease in public resources, the drop in demand for certain agricultural-livestock and forestry products and, especially, the shortage of jobs are the most serious problems that the rural sector now faces.

MEXICO

# POLL SHOWS TREVINO LEADING CANALES IN NUEVO LEON RACE

Nearly 2-1 Margin

Monterrey EL NORTE in Spanish 11 May 85 p 1-B

[Text] Two months before the conclusion of the political campaigns for the state's governorship, based on the results of the electoral poll conducted by EL NORTE among 792 persons who were interviewed, 56.9 percent selected the PRI [Institutional Revolutionary Party] candidate Jorge Trevino Martinez when asked for whom they would vote "if the elections were held today."

Trevino Martinez was followed by Fernando Canales Clariond, with 30.6 percent, whereas the other candidates did not attain as much as 3 percent.

The closest would be Jesus Lazaro Cavazos Cavazos, from PDM [Mexican Democratic Party], with 2.8 percent of the "vote" from those polled.

To conduct this second electoral poll, the same representative sample of the population was used, although certain variants were added to the procedure:

The person polled answered the questions in the poll in his handwriting, thereby being given the benefit of "secrecy."

Upon completing his answers, he put the sheets in a transparent ballot box.

The reason for using these boxes was to give the person polled assurance that he could answer without any fear, because they could not be identified later in any way.

On this occasion, the opinion of 792 persons was sought, in contrast to the 511 who were selected in the poll taken during April.

Basically the same dwellings were taken into account; however, this time the opinion of the person who answered the poll in April was asked, plus that of another member of the family, provided the latter was 18 years of age or older.

The sample consisted of 46 percent men and 54 percent women.

Two experts in the field of statistics were requested to express their views not only on the results, but also on the validity of the sample and the procedure carried out in gathering the information.

Their opinions appear on this same page.

### The Results

In addition to asking those polled to select one candidate in particular, they were also requested to select a party, "if the elections were held today."

In this instance, the majority were also in favor of PRI, with 57 percent, followed by PAN [National Action Party] (33 percent) and, at a greater distance, by PPS [Popular Socialist Party] (2 percent).

Looking at these two tables, one can make certain observations:

In the case of the PAN, PPS and PST [Socialist Workers Party] parties, the party appears to be stronger than the candidate.

Let us take, for example, the case of PAN. When it was asked which candidate the person would vote for, Fernando Canales received a percentage of 30.6, whereas the figure in the case of the party's candidacy amounted to 33.0 percent.

Or the case of Jose Luis Martinez Torres, who received 1.1 percent as a candidate, while his party, PPS, was the choice of 2.0 percent of those polled.

In the case of PSUM [Unified Socialist Party of Mexico] and PDM, the ratio occurred in the opposite fashion: there were more votes for the candidate than for the party.

For example, PSUM received 1.4 percent, whereas its candidate, Lucilda Perez Salazar, received 1.7 percent.

The case of PDM proved to be more clearcut: As a party, it received 0.3 percent, while its candidate, Jesus Lazaro Cavazos, was selected by 2.8 percent.

The only instances where the ratio of party/candidate choice remained the same or almost the same were in the cases of PRI and PRT [Revolutionary Workers Party].

In the case of the latter, neither the party nor the candidate, Daniel Salazar Mendoza, received any percentage.

In the case of PRI, the difference was a tenth; because Jorge Trevino received 56.9 percent, whereas PRI as a party received 57 percent.

Comparing the results of this poll with those of the one taken in March, most of the candidates "raised" their percentage upon being selected by a larger number of those polled.

This proved to be true for Lucilda Perez, Jose Luis Martinez, Jorge Trevino and Fernando Canales.

For example, while in March Fernando Canales had been selected by 26.8 percent, in April his percentage was 30.6.

The percentage of selection of Lucilda Perez increased from 1.4 to 1.7; of Jose Luis Martinez, from 1.0 to 1.1; and of Jorge Trevino, from 48.1 to 56.9.

The only exceptions were the cases of Maximo de Leon and Daniel Salazar, who had received 0.2 and 0.4 percent in the previous poll.

This "rise in percentage" also occurred in the selection of parties: PAN, PSUM, PPS and PRI received higher percentages in April than in March.

PAN increased its percentage from 29.9 to 33; PSUM, from 0.4 to 1.1; PPS, from 0.2 to 2.0; and PRI, from 53.6 to 57.0.

The exceptions were the cases of PRT and PST: The former "dropped" from 0.4 to 0, and the latter from 0.6 to 0.1 percent.

In comparison with the last poll, the percentage of those polled who did not answer declined, both in the case of the candidates and that of the parties.

For example, whereas in March 22.1 percent did not wish to choose a candidate, on this occasion the percentage not answering was 6.9.

The same thing held true of the party selection: Whereas in March 14.1 percent did not answer, in April the percentage dropped to 6.2.

Do They Have Credentials?

Anyone wishing to vote must necessarily be registered and have voter's credentials.

And, of the 791 persons polled, when the poll was taken 66.5 percent already had voter's credentials.

A total of 29.1 percent claimed not to have them yet, and the remaining 4.4 percent did not answer this question.

A possibly interesting comparison would be to compare the percentage of those polled who had credentials with the percentage of those polled who claimed that they did intend to go to the polls on 7 July of this year.

Polling Methods Discussed

Monterrey EL NORTE in Spanish 11 May 85 p 1-B

[Text] Every opinion poll has the inherent risk that the information procured from it may not faithfully reflect what people think.

When the opinion also implies future action, there is the additional risk that, when the hypothetical situation to which the poll relates does materialize, people may act in a manner different from what they claimed. The foregoing situation has been extensively studied, and feared in market research.

This relates to the intention of setting limits on the results procured from opinion polls on political issues and persons involved in coming elections.

There is no question that opinion polls should help the contending political parties in devising their campaign strategies. But it is obvious that, given the unequal distribution of human and financial resources, this information could bury the opposition parties in advance. As for the technique (plan) for sampling used in EL NORTE's opinion polls, it consists of a random sampling of conglomerates in three phases: In the first phase, they select blocks at random; in the second, dwellings within blocks; and in the third, persons within dwellings.

In the first poll, published on 29 March, a random selection of blocks was made within the city, and of the dwellings within the blocks; but the persons (over age 18) within dwellings were not selected at random. This latter fact caused a considerable bias with respect to the sex of the persons polled. The sample in this first poll consisted of 35 percent men and 65 percent women. What was to have been expected, based on the 1980 general population census for the state of Nuevo Leon, were figures of approximately 49 percent men and 51 percent women.

In this first poll, the person polled was identified with the dwelling; giving the impression that we had a sampling based on conglomerates in two phases. This is obviously unacceptable, unless it is assumed that all persons in the family over age 18 would vote for the same party.

In my opinion, the most serious limitation on the first poll lies in the fact that the percentages and the variations (in the percentages themselves) were not reckoned on the basis of the sampling plan used in taking the poll.

To correct this shortcoming, a census is required of the dwellings within the blocks selected in the sample, and of the persons over age 18 within the dwellings. One has no idea how much the percentages reckoned will vary, but the proper procedure should be used.

With regard to the second sample, I do not approve of the selection of the same dwellings, because the likelihood of this happening is very slight.

This procedure might be warranted for practical reasons, but it is to be expected that the results will vary slightly. It is interesting to note that, in this poll, the same person was interviewed as in the first poll, and another person from the same family was added, but selected at random. Despite the fact that it was possible to take this second poll in less than half of the dwellings, the bias in the number of women in the sample was corrected quite well. The results of the poll were added as if all the elements of the sample had the same likelihood of belonging to the sample. This combining is not advisable and, in my opinion, the results should have been shown separately.

In a different connection, perhaps the most unfortunate aspect was having reckoned the percentages and their variations on the basis of a sampling plan different from the one used in taking the poll.

The interesting part of this experience is that all the shortcomings can be corrected with a little extra work. EL NORTE has started an interesting endeavor with the opinion polls, and I don't have the slightest doubt that it will concern itself with improving their technical level.

[Boxed item p 1B]

Dr Francisco Garcia Hernandez is a graduate of the UANL's [Autonomous University of Nuevo Leon] School of Economics. He took postgraduate courses in statistics at the Chapingo National School of Agriculture and holds a master's degree in economics and a doctorate in statistics from the University of California at Riverside.

Sampling techniques make it possible to infer features of an entire population based on the features of just a fraction of that population.

So, if one wishes to learn the opinion of individuals entitled to vote from the metropolitan area of Monterrey, instead of having to poll the over a million persons over age 17, which would preclude having the results promptly, and at a moderate cost, one need only poll 500 persons, and then draw valid inferences for the total population of potential voters.

As for the statistical techniques, it is vital that the sampling be made at random, attempting to make each of the elements comprising the population, in our case those over age 17 from the metropolitan area of Monterrey, have the same likelihood of being selected.

To serve this purpose, the ideal would be to have a list of the names and addresses of the entire population over age 17, and then, from that list, select the 500 persons to be interviewed.

That list was not available in EL NORTE's poll. On the contrary, the sampling based on conglomerates was used. In other words, first, about 250 blocks were chosen; then, in each of these blocks a random selection of families was made. Finally, in each of those families one person over age 17 was interviewed.

From a statistical technical standpoint, it would have been more proper to select, instead of an equal number of families per block, an equal fraction of families per block; or, even better, an equal fraction of persons per block.

Because, when an equal number of families per block is selected, they are given more likelihood of being selected than the families of the blocks in which fewer families reside; and this could cause a bias in the results. But the technically correct method requires that a complete census be taken of the residents of all the blocks selected; which represents a far greater investment of time and resources than that for the method pursued by EL NORTE. The perfect method would have precluded the very taking of the poll.

Moreover, if the variability of the number of residents per block is not excessive, or if there is no correlation between the density of residents per block and the preferences for candidates or parties, the results of the method used will not be very different from those of the ideal method.

For quality in the results, more important than the statistical techniques are the techniques associated with the very manner of taking the polls. For example, the results would bear no relationship to the reality of the situation if the responses were suggested to those interviewed, or, what is worse, if the responses were forcibly contrived. In this respect, EL NORTE's poll is irreproachable.

In interpreting the results of the poll, one must realize that, if another sample had been taken, the results would have been somewhat different. And if 100 or 1,000 samples, each of 500 persons, were taken, we would have had 100, or 1,000 different results. This is where, if the sample is random, statistical theory makes it possible to procure reliable estimates, given in the form of confidence intervals, of the population's real numbers. These intervals depend on the size of the sample. If the size of the sample is very small, the confidence interval could be expanded so much that the inference would cease to have any practical use, for obvious reasons. For example, in EL NORTE's poll, there turned out to be eight persons who intended to vote for PSUM. Of that group, four had voter's credentials.

If, based on those data from that small sample, we try to infer for the entire population the percentage of persons favoring PSUM who have voter's credentials, the confidence interval (with a confidence of 19 to 1) moves from 15 to 84 percent. Because of being relatively small, it goes almost from 0 to 100 percent, which is tautologically obvious, and we don't need polls to tell us that! But the confidence interval narrows when there is an increase in the number of cases in the sample. For example, EL NORTE's poll tells us, in addition, that of 737 persons polled 450 said that their preferred candidate was Jorge Trevino. From this we can infer, with a confidence of 19 to 1, that the real percentage of the population in the metropolitan area of Monterrey preferring Jorge Trevino (or which preferred him at the time of the poll) stands between 57 and 64 percent; something which is not obvious.

[Boxed item p 1B]

Leoncio Durandean Palma studied at the University of Chile's School of Economics, at the Inter-American Center of Economic and Financial Statistics of the Inter-American Institute of Statistics and in the Economics Department of the University of Chicago.

# Candidate Recognition, Related Matters

Monterrey EL NORTE in Spanish 11 May 85 p 2-A

[Text] They Know Them Better

The elections are approaching. The fact that the citizens know the candidates for governor and for deputy representing their districts is one of the key points in the campaigns of all of them.

What might be termed their "popularity index" may be shown by the fact that they are known to the citizenry, or at least the latter can recognize their names.

As in the previous electoral poll, those queried were asked for the names of the candidates for governor run by each party.

Later, a list of names was given to find out whether the person polled knew them and could relate them correctly to the party with which they are affiliated.

The results could lead to certain conclusions:

Do you know who the candidate for governor of Nuevo Leon is, nominated by:

	Yes	No	Don't know*	No answer
PRI	86.5	9.9	1.3	2.3
PAN	59.0	24.2	1.3	15.5
PSUM	13.8	50.9	0.7	34.6
PST	2.3	56.9	0.3	40.5
PRT	0.7	58.0	1.6	40.7
PPS	0.8	58.2	0.9	40.1
PDM	1.0	58.0	0.3	40.7

\* Grouped in this category are those who answered that they knew who the candidate was but did not know the name, or who gave a wrong name.

Do you know or have you heard these names, and do you know which party they belong to?

	Yes	No	Don't know*	No answer
Daniel Salazar Mendoza	1.0	75.0	10.2	13.8
Fernando Canales C.	62.6	21.8	9.9	5.7

\*Grouped in this category are those who claimed to know the name but remarked that they did not know his party affiliation, or were mistaken about the party.

[continued]

	Yes	No	Don't know	No answer
Lucilda Perez Salazar	17.6	46.4	23.2	12.7
Jorge A. Trevino Mtz.	82.4	7.5	5.4	4.7
Jose Luis Mts. Torres	2.1	70.6	11.0	16.3
Maximo de Leon	2.8	68.5	14.4	14.4
Jesus L. Cavazos Cavazos	1.8	76.7	5.7	15.8

How much do they know each candidate in each socioeconomic stratum?

Candidate	Marginal	Lower	Lower Middle	Upper Middle	Upper
Daniel Salazar Mendoza	-	1.2	0.9	1.9	-
Fernando Canales Clariond	28.2	52.9	63.3	86.1	90.0
Lucilda Perez Salazar	2.6	11.1	20.1	28.7	22.5
Jorge A. Trevino Martinez	59.0	77.4	85.1	92.6	87.5
Jose Luis Martinez Torres	2.6	2.7	1.5	2.8	-
Maximo de Leon	5.1	2.3	2.6	1.9	7.5
Jesus Lazaro Cavazos Cavazos	-	2.0	1.2	2.8	5.0

Generally speaking, there is a larger percentage of persons who recognize the names of the candidates and correctly associate them with the parties to which they belong (see table) than the percentage of persons who can give the name of the candidate representing a party.

For example, whereas only 59 percent of those polled could give the name of the PAN candidate, when the name of Fernando Canales Clariond was given, the percentage of correct responses rose to 62.6 percent.

This holds true for all cases, except that of the PRI candidate, whose name is mentioned more as a candidate of the party to which he belongs (86.5 percent).

Comparing the results of the April electoral poll with those of the previous poll, it may be asserted that all the candidates are better "known" now.

In all instances, the percentages of correct answers to the two questions are greater.

For example, whereas in March 72.6 percent of those polled gave the correct name of the PRI candidate, in April the percentage rose to 86.5.

Or the case of Lucilda Perez Salazar who, in April, was recognized by 13.8 percent of those polled as a PSUM candidate, whereas in March she was mentioned by 8 percent.

It is also interesting to learn the popularity of each candidate among the various socioeconomic levels comprising the sample.

Establishing a relationship between the levels and the degree of knowledge existing regarding each candidate among the population comprising them, one can observe from the table:

Just as in the results of the previous poll, Jorge A. Trevino proved to be the best known candidate among the various strata.

Nevertheless, on this occasion Fernando Canales surpassed the PRI candidate on the high socioeconomic level (90, as opposed to 87.5 percent).

In general, all the candidates increased their "popularity" in each of the strata.

For example, Lucilda Perez Salazar who, in March, was recognized by 17.3 percent of the high stratum, had a "popularity" in April amounting to 28.7 percent on that same socioeconomic level.

Unlike the previous results, now the candidates are better known among all the strata, in contrast to the previous poll, in which there was only knowledge of one or two candidates, at most, among certain strata.

For example, according to the March results, in the marginal stratum they knew only Jorge Trevino and Fernando Canales as candidates; whereas now (although perhaps in slightly higher percentages), Lucilda Perez, Jose Luis Martinez and Maximo de Leon are added to the list.

For Whom Would They Vote?

Choosing a Candidate

Regardless of whether or not the person said that he intended to vote, the individual queried was asked to reply, in case he voted, which would be the candidate and the party that he would choose if the elections were held that very day:

Of those who do intend to vote, there are more who would do so for PRI (61.3 percent) or for Jorge Trevino (60.8 percent).

Of those who said that they would not vote, a majority would decide, in this event, in favor of PRI (39.7 percent) or Jorge Trevino (42.7 percent).

The same thing holds true of those who do not yet know whether or not they will vote. If they should decide to, a majority claimed that they would vote for PRI (54.5 percent) or Jorge Trevino (52.5 percent).

Unlike the case of the other candidates, Jose Luis Martinez and Jesus Lazaro Cavazos would receive more votes from people who do not intend to vote, if

they should decide to do so at the last minute, than from those who actually intend to vote for them.

For example, 0.7 percent of those who do intend to vote said that they would vote for Jose Luis Martinez; and 4.4 percent of those claiming that they would not vote said that, in such an event, they would do so for this candidate.

This same relationship occurs in the cases of the PSUM and PPS parties: The percentage is higher among those who say that they will not vote but would do so for those parties in such an event, than among those who claimed that they definitely intended to vote for them.

Of those who say that they will/will not vote, (in such an event) for which candidate would they vote?

	Lucilda Perez Salazar	Jose Luis Martinez Torres	Jorge A. Trevino Martinez	Jesus Lazaro Cavazos	Fernando Canales Clariond	Maximo de Leon	Daniel Salazar Mendoza	No answer
Will vote	1.5	0.7	60.8	1.0	33.2	-	-	2.8
Won't vote	0	4.4	42.7	5.9	23.6	-	-	23.4
Don't know yet	3.0	2.0	52.5	7.0	22.8	-	-	12.7

Of those who say that they will/will not vote, (in such an event) for which party would they vote?

	PAN	PDM	PSUM	PPS	PRI	PRT	PST	No answer
Will vote	34.6	-	1.0	1.0	61.3	-	0.2	1.9
Won't vote	30.9	-	3.0	4.4	39.7	-	-	22.0
Don't know yet	27.7	2.0	2.0	3.0	54.5	-	-	10.8

#### The Basis for Voting

##### Candidate Versus Party

The two basic factors to be considered before marking an electoral ballot may perhaps be the candidate per se and the party to which he belongs.

To ascertain which of these factors is most important at present, those polled were asked to tell what prompts them to mark the ballot in a particular way:

Based upon the results, most of those polled use as a basis the combination of both factors (47.2 percent), while 22.9 percent claim to vote more for the party, and 20.0 percent say that they do so for the candidate.

Hence, it would be interesting to consider which factor prompted those polled to select a particular person in making their decision, "if the elections were held today."

It is obvious that, in the majority of instances, the selection of a candidate, in particular, occurs on the basis of the "party/candidate combination."

Thus, those who vote for Jesus Lazaro Cavazos, Jose Luis Martinez, Jorge Trevino and Fernando Canales do so more on the basis of that "combination" than on the basis of merely the factors in particular.

The exception is Lucilda Perez Salazar, in whose case there is a "tie" between the three options: 23 percent vote for her as a candidate; 23 percent do so because of the party that she represents; and 23 percent do so based on the "combination" of both factors.

If the option of both factors is eliminated, one observes that only in the case of PRI is there more voting based on party; whereas Jose Luis Martinez and Fernando Canales receive a higher percentage when they are selected as candidates than as members of a particular party.

When you cast your vote, do you consider the candidate, the party or both factors?

The candidate: 20.2

The party: 22.9

Both: 47.2

No answer: 9.9

What do you consider when you vote for

Those voting for:	Vote for the candidate	Vote for the party	Vote for both factors	No answer
Lucilda Perez Salazar	23.0	23.0	23.0	31.0
Jose Luis Martinez Torres	22.2	11.1	55.6	11.1
Jorge A. Trevino Martinez	20.4	28.7	46.0	4.9
Jesus Lazaro Cavazos Cavazos	13.6	13.6	18.1	54.7
Fernando Canales Clariond	20.3	16.5	57.4	5.8

Note: The names of the PST and PRT candidates do not appear because they did not receive a "vote."

Voter's Credentials

How Many Have Them?

Anyone wishing to vote must necessarily be registered and have voter's credentials.

And of the 791 polled, 66.5 percent already had voter's credentials at the time that the poll was taken.

A total of 29.1 percent claimed not to have them, and the remaining 4.4 percent did not answer this question.

A possibly interesting comparison would be to compare the percentage of those polled who have credentials with the percentage of those polled who claimed that they would go to the polls on 7 July:

76.0 percent of those polled claim that they will vote, and a lower percentage (66.5) had voter's credentials as of that time.

Of course, these results may have changed, because the polls were taken before the registration period ended.

Another interesting point would be to analyze how many polled who intend to vote for a particular party are already registered (see table).

Of those intending to vote for a particular party, how many have credentials?

Of those who said they would vote for:	Do have them	Do not have them	No answer
PAN	68.7	28.2	3.1
PDM	-	50.0	50.0
PSUM	36.4	36.4	27.2
PPS	56.3	12.5	31.2
PRI	68.9	30.0	1.1
PST	100.0	-	-
No answer	44.7	29.8	25.5

Note: PRT does not appear, because it did not receive any "vote" in this question.

Little Abstention

The Majority Will Vote

If the percentage of persons who claimed that they would vote in these elections coincides with the number of citizens who will actually exercise this right, the abstention would prove considerably less than in previous years.

A total of 76 percent of those polled claimed that they intend to vote in the coming elections; 8.6 percent said that they would definitely not do so; 12.8 percent have not decided yet; and the remaining 2.6 percent did not answer.

Nevertheless, when these results are compared with those from the poll taken in March, the percentage of persons claiming that they will vote has declined in the interval of a month.

For example, whereas in March 83.3 percent claimed that they would vote, during April the percentage of these individuals dropped to 76.0.

Nevertheless, there was also a decline in the percentage of those polled who said that they would not vote, from 9.8 to 8.6 percent; while at the same time there was a rise in the percentage of those who were not yet decided (from 6.3 to 12.8 percent).

Do you intend to vote on 7 July?

Yes: 76.0

No: 8.5

Don't know yet: 12.8

No answer: 2.6

### The Deputies

#### Few Know Them

In addition to electing the next governor of Nuevo Leon, the citizens must elect the federal deputies from the various districts to represent them in Congress.

And yet only 14.9 percent of those polled know to which federal electoral district they belong.

A total of 70.0 percent said that they definitely do not know to which district they belong, and 9.0 percent claimed to know its number, but were mistaken in their answers.

However, it is possible that ignorance of the district number is more extensive in some districts than in others.

For this reason, a count was made (see table): In Districts I and VII, those polled "were correct" in a higher percentage (23.1 and 22.9 percent, respectively), giving the correct name for the candidate for federal deputy representing that sector.

Those polled were also asked whether they knew the names of the candidates for federal deputy from their districts being run by the various political parties.

Based on the general results, only 6.9 percent know the names of the PRI candidates, and 1.1 percent know those from PAN. The names of the other parties' candidates are unknown to those polled.

Do you know to which federal electoral district you belong?

Yes: 14.9

No: 70.0

Don't know\*: 9.0

No answer: 6.1

\*Grouped in this category are those who claimed to know the district to which they belong but who were mistaken about the district number.

Do those belonging to each district know to which district they belong?

District No.    They do know    They are mistaken\*    They don't know\*    No answer

I	23.1	2.4	72.0	2.5
II	21.4	25.0	39.3	14.3
III	14.5	8.6	73.5	3.4
IV	11.6	16.3	69.8	2.3
VI	9.4	18.9	66.0	5.7
VII	22.9	6.8	63.6	7.0
VIII	5.3	1.3	89.5	3.9
IX	18.9	9.4	58.5	13.2
X	6.0	12.0	78.6	3.4
XI	16.0	4.0	74.0	6.0

\* The difference between those who "are mistaken" and those who "don't know" is that the latter claim not to know, whereas the former claim to know, but are mistaken about the number of the district to which they belong.

Research: Amparo Sifuentes, Rita Nelly Alanis, Victor Zul, Monica Larios, Araceli Beltran, Angelica Ulathe, Jose Manuel Landeros, Roldan Trujillo, Francisco Sota, Beatriz Escobeda, Ma. Esthela Alcala, Nora Alicia Estrada, Angelica de Leon Hector Rosas, Bertha Alicia Duque, Laura Garcia, Sotero Monsivais, Alfonso Ruiz, Blanca Alicia Patlan, Susana Ramos, Victoriana Martinez, Hector Ortega, Elvira Aguilar, Benjamin Rodriguez, Leonel Mancilla, Lourdes Lopez, Leticia Hernandez, Norma Garza, Aida Luciana Galindo, Ma. Teresa Benitez and Cristina Rodriguez.

2909

CSO: 3248/390

NICARAGUA

ORTEGA INTERVIEWED ON RELATIONS WITH CUBA, SPAIN

PM201007 Madrid EL PAIS in Spanish 13 May 85 p 2

[Interview with Nicaraguan President Daniel Ortega by Antonio Cano in Madrid--date not given]

[Excerpt] Question: Your visit to the Soviet Union and other socialist bloc countries has been criticized in Europe and the United States as inopportune. Could you explain why you decided to pay it?

Answer: We have had diplomatic and political relations with the Soviet Union and the countries of the socialist community since the revolutionary victory, and these relations have been characterized by the respectful and opportune way in which the USSR and the countries of the socialist community have cooperated with Nicaragua at moments when the United States has attacked Nicaragua in the economic field. When the United States blew up our fuel tanks, the Soviet Union was the first country to supply us with the fuel we had lost; the same thing happened at the time of the severance of the financing for grain and oil.

Under the difficult circumstances which we are experiencing, we have been making approaches primarily to the Latin American countries. I have met with many Latin American leaders in the meetings which I have had in Montevideo and in Brasilia, and have met European leaders, such as Prime Minister Gonzalez and Italian Prime Minister Bettino Craxi, and I discussed with all of them the need for cooperation with the Nicaraguan economy, which found itself gravely affected by the U.S. blockade policy even before these new measures were instituted. Thus the first contacts were with Latin American leaders, but later we deemed it advisable to make a tour of the countries of the socialist community and Yugoslavia in order to seek what the United States has been taking away from Nicaragua.

Question: And what assistance did you secure in the Soviet Union?

Answer: I would rather speak of the countries of the socialist community and Yugoslavia. We found on the part of all of them a readiness to increase their cooperation with Nicaragua in order to enable it to face up to the increasing difficulties.

Question: And does that cooperation include assistance in the military field?

Answer: No, our demarche was essentially of a political and economic nature.

Question: Were not even Nicaragua's medium- or short-term military needs discussed?

Answer: No, no.

Question: Some Latin American leaders, even in the Contadora Group, have stated that the Nicaraguan conflict is increasingly clearly an East-West conflict. What is your opinion?

Answer: It seems to me that these are rather hasty statements, but it is not the truth. There is no East-West conflict but a conflict in which the United States is seeking to disregard a social change, a political change, a revolutionary change, which has occurred in Nicaragua.

Question: In what political and ideological bloc does your country stand?

Answer: Nicaragua stands in the ideological camp of the countries which are exploited and suffer unfair international economic relations; the countries struggling for self-determination and independence. We stand together with that group of countries which in Asia, Africa, and Latin America forms the Nonaligned Movement.

Question: But in the event of foreign aggression, does your country expect assistance from Cuba and the Soviet Union?

Answer: In the event of an attack against Nicaragua the country's defense will depend on the Nicaraguans. This does not rule out the cooperation which we may be given by both the Latin American and European peoples, the U.S. people themselves, or the socialist peoples.

Question: There has been talk of disagreements between Cuba and the Soviet Union over Nicaragua, the latter having more moderate stances, the former more radical stances. You have visited both countries on this tour: Did you observe these differences?

Answer: We have perceived in the Soviet Union a stance coinciding completely with the Cuban stances, and they are stances which we would not describe as moderate; we believe that they are serious, responsible, and mature stances.

Question: But would they support you militarily in the event of a U.S. attack?

Answer: We have not discussed that.

Question: In what areas do the advisers from Eastern bloc countries in Nicaragua work?

Answer: In our country we have only foreign advisers of Cuban nationality.

Question: How many?

Answer: Approximately 800; minus 100 who will have left now, there will be about 700. Nicaragua will have about 1,400 Cubans, of whom 700 are performing military duties and the rest technical or medical assistance duties.

Question: And are you prepared to reduce that number of advisers?

Answer: We are prepared for all foreign military advisers to leave the region, and we endorsed this when we accepted the Contadora document; we have proposed this to the Americans at Manzanillo, and we still take this view.

Question: Reagan accuses your government of arming your country to an extent which is disproportionate in the region. Is this true?

Answer: Look, Nicaragua has no combat aircraft, whereas Honduras and El Salvador do have them. Nicaragua has no sophisticated technology such as those countries have, supplied by the United States. What we have is very considerable strength because the Nicaraguan people are prepared to fight to the death for the revolution.

Question: They are also afraid that you may export your revolution.

Answer: That is the major U.S. anxiety, that the Nicaraguan revolution will become consolidated, because it is a Latin Americanist revolution which takes a very peculiar form, with a mixed economy, pluralist, and nonaligned system--hence a feasible model for the Central American region and for Latin America.

Question: Could similar revolutionary processes be repeated in other Central American countries?

Answer: If the United States persists in defending antipeople regimes and attempting to suppress at gunpoint the just demands of the peoples of Central America, revolutions will continue. But if it decides to seek another kind of response which will really promote social changes and democracy, that danger will disappear.

Question: What prospects do you see for the Contadora process making progress?

Answer: Contadora must make progress. We hope that the United States will change its stance at some point and accept a peaceful solution to the problems; that will mean progress for Contadora. I believe that all Central American governments currently want peace, but the U.S. pressure and blackmail are so great that they are forcing the governments of El Salvador, Honduras, and Costa Rica to adopt stances contrary to their own interests.

Question: Would not the situation improve if you decided to negotiate with the Contras or with some of the politicians supporting them?

Answer: The dialogue must be with the United States, because it is they who are directing the counterrevolutionary activity.

Question: But what do you offer the Contras?

Answer: There is an unrestricted amnesty law, of which over 700 people have availed themselves.

Question: Do human rights violations occur in your country?

Answer: In all the reports on Nicaragua drafted by the human rights committees, it has been demonstrated that the situation is one of the most privileged. Undeniably, some abuses, some violations occur, but it is not a government policy.

Question: Are there political prisoners?

Answer: Well, what there is in Nicaragua is a number of people who have been connected with counterrevolutionary activity. I do not know whether here in Europe some national who became an ally of the fascist forces at the time of the war against fascism would have been called a political prisoner.

Question: What did you discuss with Prime Minister Gonzalez?

Answer: We were in agreement in ascertaining great concern. President Reagan told Prime Minister Gonzalez that he would never invade Nicaragua, but in fact a policy of escalation is being followed which could lead some day to a direct invasion by U.S. troops. We exchanged some ideas on what could be done to deal with this situation, but there seems to be very little that can be done with hope of results.

Question: And what can Spain do to soften that stance?

Answer: Spain, because of the historical ties which it has with Latin America and the good relations which it has with the United States, is a country which could play a very active role, as it has been doing, in favor of peace, insofar as there are receptive ears.

Question: But Prime Minister Gonzalez has apparently renounced that role.

Answer: No, he renounces the role which people have sought to give him when he is told that he is a mediator, but, like other European and Latin American leaders, he keeps constantly in touch with Nicaragua and with Reagan.

Question: Can Spain make up for the damage caused by the economic embargo against Nicaragua decreed by the United States?

Answer: One country cannot do that. This is a policy to be implemented by all the countries which have cooperation with Nicaragua. Spain knows the situation. We have a framework of relations and credit agreements signed, whose implementation has been affected for technical reasons. These are specific points which we are attempting to set moving more rapidly.

Question: What is the scale of Spanish cooperation?

Answer: Considerable and satisfactory.

Question: You were acclaimed Saturday by demonstrators who criticized what they regarded as a change in Spain's stance toward the Sandinist revolution. Do you agree with them?

Answer: No, and that is why I had to address them again in order to explain to them that our impression is that the government is maintaining a consistent stance toward Nicaragua. We find the Spanish stance really positive.

CSO: 3248/401

NICARAGUA

BERMUDEZ VIEWS FDN SITUATION, REFUGEES

PA241519 San Jose LA NACION (NICARAGUA HOY Supplement) in Spanish 11 May 85 pp 1, 4

[Interview with Enrique Bermudez, strategic command chief of the Nicaraguan Democratic Force, FDN, by unidentified NICARAGUA HOY supplement correspondent in Jinotega Department--date not given]

[Excerpts] [Question] In what way does U.S. Congress refusal to approve the \$14 million to aid the anti-Sandinist forces under your command affect the FDN?

[Bermudez] We knew what the attitude of the Democrats in Congress would be, so we were not surprised that they voted against the aid requested by President Reagan for us.

The Democrats have a reason for opposing President Reagan's policy for Central America: they just do not want President Reagan to succeed in his efforts to liberate Central America from the Soviet threat. They think that by acting in this manner they will win the next elections.

The negative vote of the U.S. Congress does not affect us because we still have President Reagan's support for expelling communism from Nicaragua. We would like to quote him, when he said: "The \$14 million defeat is just the beginning of our victory."

[Question] Lately, the newspapers have not been publishing much about military actions in Nicaragua. Has the FDN fighting capacity decreased because it has had no U.S. support for more than a year?

[Bermudez] We have managed without U.S. aid since May 1984. Although military actions have decreased in the past months, our forces have increased. We have obtained aid elsewhere and we now have everything we need to resume our military operations with more intensity than before.

Our forces are increasing and becoming stronger. At this moment we have approximately 20,000 men, armed and equipped, who will soon begin a new phase of the struggle for the liberation of Nicaragua. We are going to hit the bases that are supporting the Sandinist military machine and we will be present in places where we have not fought before. We are going to dismantle the Sandinist military apparatus. We are going to attack its vital points and wear them down until they just cannot respond and are demoralized.

[Question] Does this mean that the FDN is going to change its strategic objectives, aimed not only at obtaining a military advantage, but also at bringing about political changes at local and international levels?

[Bermudez] That is how it is going to be. In the military aspect we are going to make them lose territory and facility of movement until their forces are powerless and besieged, while we maintain ours in permanent fighting condition and increase their number furthermore, we will always have the initiative.

If we keep receiving arms, equipment, and supplies without interruption, in a few months more we will have 30,000 men fighting all over the country.

In the political aspect we are going to make the Contadora Group and the U.S. Congress change their positions as a result of our military actions. In Central America there is already the clear idea that we are a retaining wall against communist expansion because the Sandinists are trying to consolidate their Marxist-Leninist plan in Nicaragua so that they can spread it to the rest of the region, but we are going to prevent this. We are in a parallel race: they are trying to consolidate their warmongering and repressive apparatus to subdue Nicaragua and afterwards threaten the rest of Central America, and we are going to prevent this through actions that wear them out.

We have a well-consolidated military structure with a well-structured leadership, with intermediate commands, special units, and well-trained people. We have enough experience, our communications are working very well, with professional efficiency and our morale is high.

The Sandinists will have to negotiate with the democratic opposition a solution that will bring peace and democracy to the country, or we will throw them out by force.

[Question] Do you think the FDN has the military advantage, despite the Sandinists' enormous arsenal?

[Bermudez] If we apply the mathematics of the Sandinists, according to which to successfully fight us they will need 10 soldiers for every guerrilla, we reach the conclusion that they currently need a 200,000-man army to fight FDN's 20,000 men and that very soon they are going to need 300,000 soldiers when we increase our forces to 30,000 fighters.

Applying this mathematical reasoning to reality, we reach the conclusion that while our forces are increasing at a rate of 500 to 800 volunteers every month, the Sandinists are recruiting youths by force and brutal methods into the army and the militias. It is becoming very hard to replace their casualties with the draftees and the number of deserters is increasing daily.

The militias have stopped fighting--either they surrender or they join us with their weapons and equipment. The explanation for this is that employees and workers join the militias so they won't lose their jobs, but when they are in the jungle they realize that if they lose their lives, they will also lose their job.

Regarding the Sandinist People's Army, EPS, and the special battalions called BLI, Battalions for Unconventional Warfare, the low morale and dissatisfaction are resulting in a high percentage of desertions. The most eloquent proof is the fact that half of our task force commanders are former Sandinists.

If we continue using mathematics as a deductive method, we should ask ourselves, what will happen if desertions in the Sandinist ranks become massive or if they increase in equal proportion to the number of volunteers that are joining the FDN?

[Question] What is the political mission of the FDN?

[Bermudez] We have two missions. The military mission is to expel the Sandinists from Nicaragua and the political mission is to establish democracy in the country--a democracy that must stem from the majority popular will freely expressed at the ballot boxes with every guarantee to safeguard honest elections.

It must be pointed out that the FDN does not respond to any political line or party. Our commandos receive careful civic preparation so that they will know how to exercise their rights as citizens when the war ends and we can all devote ourselves to building peace and democracy.

[Question] In this extensive interview with Enrique Bermudez, NICARAGUA HOY wanted to know about the enormous problem of the displaced people, thousands of whom flee from the Marxist persecution unleashed in Nicaragua's northern departments. Bermudez also summarized the FDN program to relocate those people and to help them reorganize their lives with some security.

Regarding this topic, the chief of the FDN Strategic Command told NICARAGUA HOY:

[Bermudez] The freedom commando units have begun a program of relocation of the displaced peasants. Approximately 48 communities have been selected in Jinotega and northern Zelaya Departments in territory liberated by the insurgent forces. We have begun to work in 14 communities where approximately 200 families live. The first phase of the program includes the relocation of about 5,000 refugees.

The program involves two phases. The first phase has been begun with the families that have remained in Nicaragua. These families are being helped with tools, seeds, clothing, rubber boots, medicines, sugar, salt, coffee, kerosene, matches, and household articles such as corn grinders (which they also use to grind coffee), blankets, and kitchen utensils. They will be able to buy many of these things with the proceeds from the sale of their crops, which the insurgent forces will purchase at market prices.

In the second phase, about 5,000 other refugees will be relocated and distribution centers will be installed for the sale of some staples at cost prices.

Taking advantage of the social structure in which the family is the first authority in the rural communities, the FDN plans to build a democratic structure based on free elections and direct vote so that the peasants will govern themselves and will elect their own civilian authorities. It will also promote the organization of cooperatives and production communities to create wealth and well-being.

No police or public forces exist now nor will there be any in the future in those communities. They do not need them. The freedom commandos will just provide them with constant protection against the Sandinist atrocities and pillaging. They will be taught to elect their authorities and to democratically govern themselves.

CSO: 3248/401

NICARAGUA

BRIEFS

VIETNAM DONATES SUGAR--Three thousand tons of sugar were donated in Corinto yesterday to the government and people of Nicaragua by the ambassador of the Socialist Republic of Vietnam, comrade Nguyen Dinh Bin. This much appreciated gift was accepted by Francisco Sanchez and Bernardo Chamorro, vice ministers, respectively of domestic commerce and foreign commerce. The Vietnamese ambassador to our country expressed his solidarity and that of his people with the just cause of our Revolution, pointing out that historically we confront the same enemy: United States imperialism. He noted further that both nations have suffered, and continue to suffer the full fury of the imperialist war which the United States has waged against us. He said that in spite of the difficulties through which the heroic people of Ho Chi Minh are passing, they offer their unconditional aid to the long suffering people of Sandino. Comrade Nguyen said that the Sandinist Front is the legitimate vanguard of the Nicaraguan people, at whose side it is waging the decisive battle for their liberty and self-determination. He said that the gift of sugar is not significant, rather, the most important thing is the brotherhood and proletarian internationalism of the two peoples. He forcefully condemned the aggressive policy of the Reagan administration and the brazenness of debating in the Yankee Senate the 14 million dollar program of assistance to the Somozist counterrevolution to shed more Nicaraguan blood. He emphasized that Nicaragua deserves the highest and most absolute solidarity with the progressive governments of the world, in its struggle for the social and economic welfare of its people. Responding, the vice-minister of domestic commerce, Francisco Sanchez, thanked the ambassador for the gesture of solidarity of the government and people of Vietnam, and said that the valuable gift represented several weeks' internal consumption for our country. [Text] [Managua BARRICADA in Spanish 25 April 85 p 8] 12383

\$46 MILLION FOR RESETTLEMENT--The Revolution is to spend more than \$46 million on the regional resettlement program in Regions I and VI, where some 50 thousand peasants have suffered at the hands of counterrevolutionaries in the last six months, according to a statement by Reynaldo Antonio Tefel, Minister of Social Security and Social Welfare. The above information was disclosed by the minister during an interview in the auditorium of the Ministry held yesterday with a delegation from the European Parliament composed of social

democrats Rudi Arndt, president of the Social Democratic group of the Parliament; Ernest Glinne, of Belgium; Paolo Falcone, of Italy and communist Parliament members Gianni Cervetta of Italy and Gerard Laprat of France. In the interesting interview, the European parliamentarians conferred with and received information from Minister Tefel concerning the considerable damage caused by the mercenaries in the social welfare area. One hundred eighty thousand peasants and natives throughout the country have been displaced and victimized by the mercenaries in the four years of aggression by United States imperialism, which has exacted a further toll of 6,339 children orphaned and 11 children's rural service centers destroyed. Minister Tefel also disclosed that direct damage to the INSSBI [Nicaraguan Institute of Social Security and Social Welfare] adds up to \$11,898,455 with further damage resulting from interrupted construction of 30 of the Ministry's centers. Summing up, the Minister told the European parliamentarians that the Ministry of Social Security and Social Welfare has been the cabinet office with the largest budget since the victory of the revolution and that it is now surpassed only by the Defense Ministry in which the Revolutionary government is investing 40 percent of its budget in order to be able to repel imperialist aggression. [Text] [Managua BARRICADA in Spanish 25 April 85 p 8] 12383

FRENCH SOLIDARITY BRIGADE ARRIVES--The first 16 brigade members of a 350 man contingent of the France-Nicaragua Solidarity Committee arrived in this country yesterday. The French "Julius Cortaza" brigade, in a magnificent gesture between the two peoples is coming to join in school construction tasks of the Sun Project, Region IV and in construction work side by side with workers of the Ministry of Construction [MICONS]. The construction brigade, which will be collaborating in MICONS projects, held a meeting with vice ministers of public works Mario Flores and Fernando Palma. In the name of the working people Vice Minister Flores, welcomed the cooperants, and briefly reviewed the political, economic and military situation forced upon Nicaragua by the Reagan government. He said that in the last three months of the year, "35 MICONS workers have been murdered by mercenary bands financed by United States imperialism." Replying, Amaya Allan, coordinator of the Solidarity Committee, said that the presence of the Frenchmen in this country means support for the people of Nicaragua. He added that the product of solidarity campaigns in France are tools, medicines, cash and the technical cooperation which the French will make available to the Nicaraguans. Allan turned over to Vice Minister Flores funds amounting to one hundred thousand dollars and letters of solidarity from French regional committees. This brigade will remain in the country for a month and the 350 will arrive in stages, building up until September. After September other cooperants will arrive as needed, --specialists that the Nicaraguans may require to rebuild what has been destroyed by counterrevolutionaries financed by the empire of the North. [Excerpts] [Managua EL NUEVO DIARIO in Spanish 1 May 85 p 4] 12383

SWEDEN INCREASES AID--The Swedish government will increase its assistance to Nicaragua in 1985 by 90 million crowns (\$12 million). This information was released in Managua by the director of assistance for Latin America of the Swedish foreign ministry, Gabriela Lindholm. A Swedish government delegation arrived in Managua last week to make a general assessment of cooperation with

Nicaragua. According to El Vor Halkjaer, an official of the Swedish Agency for International Development (SIDA), the \$2 million [as published--presumably \$12 million] increment over the 1984 amount is to encourage the development of gold mining and the forestry sector, which are priorities of the Nicaraguan government. The technical and financial advisory office of the Swedish government will concentrate principally on the mining projects of La Libertad, in the central department of Chontales and El Limon, to the west of the country, two of the principal mining centers in Nicaragua. Technical and financial assistance will also include the forestry area, carrying out feasibility studies for the best exploitation of this natural resource. Sweden and Nicaragua will sign a new two year assistance agreement in May 1986. [Text] [Managua BARRICADA 25 April 85 p 8] 12383

PCN SPLIT--A development which some political observers had foreseen finally came to pass last Sunday, 14 April, when a small branch of conservatism decided to separate itself from the old trunk. The breakaway group, headed this time by Arnolando Lacayo Maisson and Miriam Arguello, ex-congress members of the Kupia-Kumi Pact, resolved to set up operations outside of party discipline. For its part the national and legal governing body of the Nicaraguan Conservative Party, which is headed by Mario Rappaccioli, Silviano Matamorros, Julio Ruiz Quezada and Jaime Chamorro, confirmed that the National Convention of the green party will convene next 7 July in accordance with the the legal provisions which require this, so that the Convention may proceed to the amendment of its rules and the fixing of the terms of its top officials. The party's municipal level organizations have been pushing all along for the party to carry out its renewal through the mobilization of the youth element of all social strata. It was recently announced that the legal governing body of Rappaccioli received a vote of support from important elements of the party such as Prof. Ricardo Paiz Castillo, Emilio Alvarez Montalvan, Nicolas Morales, Blanc Gasteazoro, Miguel Zaval and others, who thus endorse the legitimacy and credentials of those who have the responsibility to impress a new dynamic upon conservatism, following the defection of the Cordova group toward collaborationism, and now that of Lacayo Maisson and Miriam Arguello. [Text] [Managua LA PRENSA in Spanish 26 April 85 pp 1, 12] 12383

CSO: 3248/365

PANAMA

BRIEFS

NEW PUBLIC SAFETY MAGAZINE--The monthly DEFENSA is already circulating. This monthly carries much fresh information on the activities of the public forces. Its director is Major Edgardo Lopez Grimaldo. [Text] [Panama City CRITICA in Spanish 29 May 85 p 5]

NEW LABOR LAW MAGAZINE--The juridical bibliography of Panamanian Labor Law has become enriched with the first issue of LABOR LAW, which will be put out every 4 months. This is the result of an effort made by a group of professionals who work at the Labor Ministry and the labor courts who, under the leadership of Justice Miguel Gonzalez, have filled a gap in labor law information. [Excerpt] [Panama City LA PRENSA in Spanish 30 May 85 p 17A]

NORIEGA TALKS WITH JAPANESE FOREIGN MINISTER--General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces, met today in Tokyo with Japanese Foreign Minister Shintaro Abe. Noriega and Abe talked about the new canal project, the Contadora Group efforts, and bilateral issues. According to reports, the Japanese Foreign Ministry assured General Noreiga that Japan is willing to help and cooperate with the new canal project drafted by Panamanian, U.S., and Japanese experts. [Text] [Panama City Circuito RPC Television in Spanish 1730 GMT 29 May 85]

AMBASSADOR TO ISRAEL--According to a news bulletin issued by the Foreign Ministry on 20 May 1985, Major Eduardo Emilio Herrera Hassan was appointed ambassador to Israel. [Summary] [Panama City LA ESTRELLA DE PANAMA in Spanish 22 May 85 pp A-1, C-4]

CSO: 3248/398

PARAGUAY

FRG EMBASSY OFFERS REWARD FOR MENGELE

PY212050 Asuncion Radio Primero de Marzo in Spanish 1855 GMT 21 May 85

[Text] In a communique forwarded to Radio Primero de Marzo, the FRG Embassy in our country has stated that the prosecutor's office of the Frankfurt State Court has offered a reward of DM 1 million, about 180 million guaranies. The reward will be paid to anyone who supplies data leading to the arrest and subsequent extradition of Nazi criminal Josef Mengele.

The communique also states that in view of the official type of this report, there is no room for the slightest doubt that the reward will be paid in a timely fashion.

The communique refutes the reports that placed in doubt the seriousness of the reward offered to those persons who supply accurate information on the whereabouts of Mengele.

The document includes an additional page stating that the prosecutor's office in Frankfurt wants Josef Mengele for the killing of thousands of Jews, Gypsies, Slavs and other deportees in the Auschwitz concentration camp.

The document also states that the Nazi, who is being intensely searched for, is called Dr Josef Mengele and also introduces himself as Helmut Gregor.

A photograph of Mengele is included, stating that he is 1,74 m tall and that he speaks German, English, Spanish and presumably, also Guarani.

The document also states that it is presumed that Mengele is living in Latin America. The document makes it clear that the DM-1 million reward is only designed for civilians and not for law enforcement officials.

CSO: 3348/725

PARAGUAY

NEWSPAPER AD OFFERS REWARD FOR MEIGELE

PY222210 [Editorial Report] Asuncion HOY in Spanish in its 22 May edition publishes on page 7 a full page paid advertisement announcing that there is a ransom of 10 million guaranies for anyone who supplies "information that will lead to the arrest of" one Joseph (or Jose) Mengele, who is described as being "the most wanted criminal in the world" for "being responsible for the death of some 400,000 Jews" during World War II; and for "practicing innumerable experiments on human beings."

The advertisement states that any information should be submitted to Beate Klarsfeld, 32, Rue La Boetie 75008, Paris France; Telephone 561-1878. It adds that Mrs Karsfeld may also receive any information at the Guarani Hotel in Asuncion.

Asuncion HOY is the only Paraguayan daily to have published this advertisement so far, since neither EL DIARIO, ULTIMA HORA, or PATRIA have published this advertisement.

CSO: 3348/725

PERU

## PREFERENTIAL VOTE PROCEDURE, VALIDITY QUESTIONED

Lima EL COMERCIO in Spanish 19 May 85 Dominical p 2

[Text] Since the counting of the preferential votes began, a series of problems and anomalies has cropped up that prompt one to consider the difficulties that this type of vote creates in electoral activity. The investigation conducted leaves no room for doubt: there have been falsified elections. Prosecutor Guillermo Miranda Chavarry has stated that the falsification has taken place in various ways: while the ballot boxes were stored in the municipalities, during the transfer of the former to the National Electoral Jury, at the time of delivery of the record cards and even in the computing per se.

These incidents prompt consideration of the preferential vote and its alleged superiority over the bloc voting system.

One of the good reasons given to justify the preferential vote is that it is the best guarantee against the dictatorship of the party top echelons. The top-ranking leaders, however well-intentioned they may be, often put in the first places on the lists the names of persons who do not enjoy real popularity in the party, whether because they must pay for political favors or in exchange for favors. The preferential vote has the advantage of eliminating this arbitrary conduct on the part of the top leadership, because it reduces enormously the negative effect of the lower places on the list. This is true, and of course, feasible. But, on the other hand, it is also true that an inevitable battle is established between the candidates on the same party list; because, with the desire to raise their position on the list, during the election campaign they engage in making propaganda for themselves, propaganda which is intensified as election day approaches and which unquestionably represents a very large expenditure of money. Hence, it turns out that the preferential vote which is aimed at eliminating the improper placement of candidates on the list and at giving the citizen an opportunity to cast his vote in accordance with his own judgment, ends up becoming a plutocratic race in which the candidate who has been able to spend the most money on his campaign quite often wins. And this plutocratic feature is at odds with the authentic spirit of democracy whereby equality of opportunity should prevail.

Of course, the one who spends the most money on his own propaganda does not always rise on the list. When a candidate is truly popular, it quite likely

that he will rise to the leading positions. But this happens only if his popularity is very great. In other instances, the power of money could impose a candidate whose credentials are inferior to those of another who was displaced by the former. And this is a great injustice.

The experience from the last election shows that the preferential vote is not so superior to the bloc vote as might have been thought; this experience should be used to advantage. We believe that the reasons for using the preferential vote should be reconsidered before this method is adopted in the next electoral processes.

2909

CSO: 3348/705

PERU

## RICE PICKERS PREFER TO HARVEST COCA FOR HIGH WAGES

Lima EL COMERCIO in Spanish 19 May 85 p A-12

[Test] Nueva Cajamarca--The harvest from the next rice campaign in the department of San Martin might be jeopardized by a lack of workers, because the majority prefer to render services on the clandestine coca plantations, where they are paid daily wages of up to 100,000 soles.

This situation concerns the grain producers, who are attempting to retain the few day laborers, or "swallows," most of whom come from the central and northern mountain areas of the country.

On a tour of the area, this special correspondent was able to actually observe the unfair competition between rice and coca growers regarding wages. Several rice producers queried about this reported that this situation is becoming increasingly worse, in view of the need to have workers engaged exclusively in the planting and harvesting of the gramineous crop.

### 'Juicy Daily Wages'

They reported that there are groups of individuals known as "hookers" who "recruit labor" to be taken to the areas where there are huge clandestine coca plantations, offering them 'juicy daily wages' which the rice industry could hardly pay.

### Desolate Areas

They noted that, whereas the farmers can hardly pay daily wages of from 15,000 to 20,000 soles per day, depending on the area and distance, the coca growers are, without hesitation or grumbling, offering between 50,000 and 100,000 soles. They charged that, during the past 2 years, extensive areas of land have been created to grow coca, primarily in desolate sections of the mountain ranges at the edge of the jungle, very far from the main highways, which can be reached only along small bridle paths.

### No One Has Done Anything

Heads of the rice producers' committees have reported this unlawful activity on repeated occasions, as well as the risk run by the rice campaign because

it lacks sufficient labor. Nevertheless, no one has done anything to solve the problem, "despite the fact that the massive coca production is common knowledge, and we all know the sites and areas of the clandestine plantations," commented one producer, who preferred not to give his name, for obvious reasons.

#### They Work in Rotation

Young day laborers are the ones who most often agree to remain in the jungle to work on the coca plantations, tempted by the high wages.

They remain in the service of those plantations for months. Later, they leave, in disguise, to prevent any suspicion on the part of the police authorities.

There is a kind of rotation. After a few months, these day laborers return, to resume that activity, or are merely sent to other plantations in the departments of Huanuco, Iquitos and Ucayali.

2909

CSO: 3348/705

PERU

## INDUSTRIALISTS SUPPORT GARCIA DEBT NEGOTIATION PLAN

Lima EL COMERCIO in Spanish 3 May 85 p A-4

[Text] Peruvian industrialists yesterday expressed their support of the proposal by the winning candidate of the first round, Alan Garcia Perez, to approach negotiations on the foreign debt directly, but within the framework of a coherent and self-disciplined economic program that would not require the presence of the IMF or its previous approval.

This was pointed out by Julio Piccini, president of the National Confederation of Private Institutes and Employers (CONFIEP) who, together with 17 other representatives from industry and commerce in the country, carried on a dialogue lasting more than 4 hours with the virtual president elect of the country.

Piccini said that the government would receive total backing in this endeavor and that multipartisan employer and worker agreement must exist on the issue because abroad, Peru "should project the image of a highly united country."

After noting that employers are used to negotiating their debts directly, he enumerated the points of agreement with the plan of government of Alan Garcia. Nonetheless, he warned that "a large scale agreement" was necessary, for which he proposed a permanent dialogue among all levels. The meeting took place at the house of the presidential candidate.

### Compensatory Trade

According to what its president, Gonzalo Garland, said yesterday, the Association of Exporters of Peru will do a study to extend the payment of the foreign debt by the more effective and real use of compensatory trade and through the barter system as well as by providing maximum support to Peruvian artisans, who number more than 1.5 million.

The commitment was made yesterday after the meeting between the employers and businessmen of the country with the winner of the first electoral round.

For his part, Carlos Verme, president of the National Society of Industries, who also participated in the meeting, said that at least 2 years would be required to reconstruct the national industry.

Others present at the meeting were Salomon Manzur, head of the National Society of Fishing, and Eduardo Iriarte, president of the Chamber of Commerce of Lima, among others.

12467

CSO: 3348/662

PERU

#### BRIEFS

NAVAL EXPEDITION TO ANTARCTIC--By the end of this year or the beginning of 1986, the Peruvian Navy plans to undertake a scientific exploratory expedition to the Antarctic. This announcement was made by the National Commission on Antarctic Affairs, in a communique in which it states that there have been no plans for a forthcoming expedition sponsored by the Air Force. The planned expedition will be made on a Navy ship, for which there is backup from all sectors comprising the National Commission on Antarctic Affairs. The communique states that this entity is the only government institution responsible for planning and establishing Peruvian policy toward the Antarctic; and hence constitutes the only authorized spokesman concerning the Antarctic affairs relating to the country. At present, the commission is engaged in devising the national plan associated with the Antarctic, and the resultant strategy for attaining Peru's goals in that area. [Text] [Lima EL COMERCIO in Spanish 20 May 85 p A-10] 2909

BARRANTES REPLACEMENT NOT IMMINENT--The presidency of Alfonso Barrantes in United Left [IU] is indefinite in nature, according to Javier Iguiniz, a member of that front with independent status. He remarked that the naming of a new president is incumbent on a national IU plenary. The issue is not being debated on any level. He added that the forces for a new plenary will not be the same as when Barrantes was appointed. When asked whether the group of independents such as he and those representing Barrantes on that front have been organized to act as a bloc, Iguiniz said that they were not, and that it was best for everything to continue as it was. He explained that the number of votes that the independents in IU might have does not matter so much, but rather what they might put forth as ideas, to be accepted by the parties and fronts comprising the leftist conglomerate. Iguiniz claimed to be setting up commissions in United Left similar to those operating in the Congress, so that they might serve for backing and orientation. [Text] [Lima EL COMERCIO in Spanish 20 May 85 p A-4] 2909

CARHUAQUERO HYDROELECTRIC PROJECT HALTED--Chiclayo, 20 May--The construction of the Carhuaquero hydroelectric power plant has been halted for several months, for lack of financial resources, causing the cost of the project to increase. The work has been done by means of a contract covering the studies, design, construction, supplies and installation, as well as putting the entire system into operation, through the Asea-Skanska-Epd group, whose members have a joint agreement with ELECTROPERU [Peruvian State Electric

Power Enterprise] for its execution. Unfortunately, for lack of the necessary means for the Peruvian matching funds, the projects have been halted; something that has made the respective budget far more costly. This project consists of the hydroelectric development of the Chiclayo River, with an installed capacity of 75 megawatts in its first phase. The power generated will be transmitted along a 220-kilometer line to the new Chiclayo Sur substation power plant, which will be interconnected with the already existing substation by means of a 60 KV line. The complex will be part of the interconnected system in the northern part of the country. The Lambayeque representative institutions have issued statements on repeated occasions, demanding that this action be speeded up to complete the project, without receiving any positive response. [Text] [Lima EL COMERCIO in Spanish 21 May 85 p A-12] 2909

HOARDERS BUYING SILVER COINS--100-sol "silver" coins are getting scarce because, according to persistent rumors, they are being sold on the Bolivian border at a price ten times greater than that set by the Reserve Bank. Hoarders of these coins have sprung up everywhere, so that very few remain in circulation in Lima. One female hoarder, who also smuggles in goods from Tacna and Arica, stated that in Juliaca they are paying 1000 sols for each 100-sol coin. Neither she nor other hoarders have been able to explain what the coins may be used for, though one of them let slip the "unconfirmed" theory that they may be melting them down for the nickel they contain. At the Ocona strip, where a huge black market in dollars operates, the now scarce silver coins are also being bought, but at a price between 150 and 200 sols each. It has also become known that in the last few days several dozen hoarders have been arrested in Arequipa. [Text] [Lima EL COMERCIO in Spanish 6 May 85 p A-1] 12467

TAIWAN BIGGEST FISHMEAL CUSTOMER--According to a statistical report on exports and imports, the Republic of China in Taiwan was the largest customer of Peruvian fishmeal in 1984. Around 274,000 of the 400,000 tons of fishmeal that Peru exported last year through state and private concerns were exported to the latter. Among the main customers of the privately sold Peruvian fishmeal, the Republic of China in Taiwan was first, with 68,300 tons, followed by West Germany with 44,800 tons, and Indonesia with 23,000 tons. [Text] [Lima EL COMERCIO in Spanish 4 May 85 p B-2] 12467

AIRLINES NEED MORE PLANES--With every passing day the need for more aircraft especially those surpassing 100 passenger capacity, becomes more imperative for the national airline companies. At present the 6000 travelers who fly daily undergo a series of problems even when tickets are acquired in advance. An airport wait of three or four days for a flight to open up is not unusual, especially where flights to the center of the country or to jungle areas are concerned. "Come back tomorrow" is a common refrain. The national airlines lack adequate fleets. Their planes are mostly of limited capacity. [Text] [Lima EL COMERCIO in Spanish 3 May 85 p A-5] 12467

POLICE STRIKE RUMORS DENIED--The minister of the interior, Oscar Brush Noel, denied yesterday that the subaltern personnel of the three police forces is unhappy or threatening to strike. "Activities are being carried out normally and routinely, so I can affirm that the information about a supposed strike is totally false," he added. So he asked the public to be calm and confident that no problems are going to occur in the Civil Guard, Peruvian Investigative Police and the Republican Guard. The top general directors of the PIP, the Civil Guard and the Republican Guard also denied the existence of strike preparations among their personnel. Minister Brush said that the salary of 700,000 sols that the subaltern personnel receive has allocations and allowances that yield an income of a million sols a month. Brush, citing the daily by name, said that LA REPUBLICA is attacking the police forces systematically and without pity. [Excerpt] [Lima EL COMERCIO in Spanish 3 May 85 p A-4] 12467

NEW PIP DIRECTOR--The new top director of the Peruvian Investigative Police, lieutenant general Mario Munor Malaver, has held important positions in different units of the institution, including director of logistics, general director of immigration, inspector general, top subdirector and chief of the general staff of the PIP. [Excerpt] [Lima EL COMERCIO in Spanish 3 May 85 p A-12] 12467

CSO: 3348/662

ST LUCIA

COMPTON IN ONGOING STRUGGLE TO IMPROVE ECONOMY, PROVIDE JOBS

London THE CARIBBEAN & WEST INDIES CHRONICLE in English Apr-May 85 pp 4-5

[Article by Guy Ellis]

[Excerpts]

Prime Minister John Compton's ruling United Workers' Party (UWP) is approaching the end of its third year in office still grappling with the task of restoring the island's battered economy and satisfying the aspirations of his countrymen.

Today, despite Mr Compton's pronouncement that better times are coming, St Lucia still faces critical economic and social problems. At a time when unemployment is in excess of 25 per cent, according to official estimates, the island has to contend with one of the highest population growths in the region. So far, the task of putting the jobless to work has not met with any significant success. Efforts at attracting job-creating industries, despite St Lucia's obvious assets in that area, have been painfully slow in producing results.

But the picture is not one of total gloom and doom. Both the banana and tourist sectors have been showing phenomenal forward strides. Banana exports to Britain last year were 65,000 tonnes — the highest since the 1969 all-time record of 85,000 tonnes — compared with 55,000 tonnes in 1983. Last year, the island earned EC\$59.8m from the industry, but, according to Agriculture Minister Ira d'Auvergne, the fluctuating value of the pound sterling, in which currency exports are paid for, lost St Lucia as much as EC\$20m in its trade with Britain.

Tourist arrivals climbed from 77,392 in 1983 to 87,610 last year. Receipts from that sector are in the region of EC\$80m annually.

The manufacturing sector, however, which showed the greatest expansion in the 1970s, has been the slowest to recover, despite some new small enterprises. Not only have major industries been scarce: Those that are in

operation have been hard hit by the trade and currency restrictions that have been imposed by member countries of the Caribbean Community (CARICOM), St Lucia's prime export for its manufactured goods.

According to Trade Minister George Mallet, St Lucia's trade within the CARICOM region for the first six months of last year was EC\$6.5m lower than the figure for the corresponding period in 1983. Exports to Jamaica fell by 44 per cent in the first six months of last year as a result of Kingston's currency devaluations and rigid rationing of imports. In the case of Trinidad & Tobago, the decline was 31.5 per cent. Ironically, during that period, St Lucia increased imports from the twin-island republic by 33 per cent. St Lucia is not satisfied with the efforts which those states are making to pull down trade barriers in accordance with an understanding given at last July's CARICOM summit meeting in the Bahamas.

Against this background, St Lucia has been experiencing severe difficulty in raising money from local sources, and the Government continues to be faced with a cash flow problem, even to the point of not being able to pay its own employees on time.

Mr Compton told the House of Assembly in February that mounting recurrent expenditure was threatening the island's economic growth rate and would have to be cut back from its present level, now in excess of EC\$5m monthly. So far, the Government has been able to avoid seeking financial support from the International Monetary Fund (IMF), and Mr Compton is determined that St Lucia will pull itself up by its own efforts, "with a little help from friendly countries." He says: "We cannot wait on the

IMF's strong medicine to check and restrain our recurrent spending. It must be our own decision."

It was probably this stand which dictated the Government's decision to impose steep increases in the licence fees for motor vehicles, insurance companies and liquor refreshment houses in January. The move threatened to trigger a wave of protest, just at the time when Jamaicans had taken to the streets to voice their objection to hikes in petrol prices announced by the Edward Seaga Government. Vehicle drivers, especially taximen and mini-bus operators, found themselves suddenly having to pay increases of as much as 100 per cent for vehicle licences. But their protests subsided when Mr Compton took to the airwaves with a tough no-nonsense address in which he said that those who used the roads and damaged them should foot the bill for their repair and maintenance. And Mr Compton threatened to withdraw the licences of anyone who sought to pass on the new increases to the public.

A number of Government and private sector projects are due to get underway in the coming months and should spur economic activity and recovery in this bustling little island. An EC\$7.5m loan from the Caribbean Development Bank will finance new berthing and duty-free shopping facilities for cruise ship passengers in the mouth of the Castries harbour. Two major hotels are due to begin construction in the eastern villages of Dennery and Choiseul, at a combined cost of EC\$77m. On completion they are expected to boost St Lucia's hotel accommodation by some 400 rooms.

In the industrial sector, the Government is negotiating with the World Bank for a US\$5m loan to establish a freezone in the southern industrial town of Vieux Fort, and is also seeking other funding to build additional factory shells to woo potential investors.

Mr Compton says that the economic prospects for St Lucia in the short and long-term are brighter than in the recent past; but he is equally emphatic that there are no miracles in sight and that the road ahead will be long, hard and rough for St Lucia and its growing population.

CSO: 3298/719

ST VINCENT AND THE GRENADINES

MITCHELL NOTES RECENT 'MODERATE GROWTH' OF ECONOMY

Kingstown THE VINCENTIAN in English 26 Apr 85 p 1

[Text] The economy of St. Vincent and the Grenadines showed moderate growth over the last five years according to Prime Minister of St. Vincent and the Grenadines James Mitchell. The portfolio of Minister of Finance is also held by Mitchell and he was speaking to participants attending an appreciation seminar conducted by the Eastern Caribbean Central Bank, at the UWI Centre on Monday. The object was to increase an awareness of the functions and responsibilities of the Central Bank, Central Bank Governor, Cecil Jacobs, addressed participants.

Mr. Mitchell said that despite this growth, his government still had to deal with the massive debt situation which he encountered when he took up office.

The Prime Minister noted that although the country's 2.1 per cent inflation rate was one of the lowest in the region, his government still had to deal with a relatively high unemployment figure.

Mr. Mitchell added that government will be seeking a balance between the income and expenditure of several statutory bodies, so as to ease the debt situation. He revealed that the troubled sugar industry had incurred an increase in its overdraft figure, and that this stood at 22.7 million dollars at the end of March, an increase of 1.2 million. He pointed out that government was faced with the servicing of the debt on the industry to the tune of 1 million dollars.

In what may be considered a mini state of the economy address, the Prime Minister also touched on other sectors of the economy including tourism and agriculture.

The 50 or so participants who attended the Seminar came from the Commercial Banks the Business Sector The Ministry of Finance and Government Departments and Statutory Bodies.

CSO: 3298/705

ST VINCENT AND THE GRENADINES

BRIEFS

BEQUIA NDP UNIT--A New Democratic Party Support Committee is scheduled to go into operation soon in La Pompe, Bequia. This was disclosed this week by a leading organiser on the island. He said last Sunday the NDP Support Group of Port Elizabeth combined with the people of the Southern side of the Island and held a successful meeting, at which discussions is centred around Tourism Development: through the building of the Bequia Airport; the cleaning of beaches; and other aspects associated with the industry. The spokesman said that as a result of the meeting the residents of La Pompe were inspired to form their own support committee. [Text] [Kingstown THE VINCENTIAN in English 3 May 85 p 6]

CSO: 3298/705

- END -